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MARKETING MANAGEMENT

DIRECTORATE OF DISTANCE EDUCATION

P.G. DIPLOMA COURSE

Paper - II

ADVERTISING & SALES MANAGEMENT

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Madurai - 625 021

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Dear Student,

With great pleasure we welcome you to the P.G. Diploma Course in Marketing Management through correspondence. In this Course you have to study four papers. One among them is "Advertising and Sales Management", The syllabus and scheme of lessons are also given below.

We wish you all success in your endeavour.

DIRECTOR

SYLLABUS

Paper II **Advertising and Sales Management**

Advertising:

Pundamentals of Advertising - Evolution of Advertising; Study of the market place - and consumer - Advertising. Budget. Types of Media - Media planning - Advertising Budget planning - Advertising Appeals - Advertising copy - Advertising Design - Art of layout - Copy Testing - Advertising production - Measuring Advertising Effectiveness - Esseatials of Effective Advertising programme.

Sales Management :

Sales Management - Objectives - Co-ordination with other activities.

Personal Selling - Nature and Evolution - Basic Selling Tasks - Selling process - personal Selling Objectives - Types of Consumer and Industrial selling.

Organisation of Sales Department - Receruting and Selecting. Sales force - Training Saler force - motivating Compensating sales Force - seles meetings and contests - Apprarising the sales force - Sales Quota and Sales terrisories.

SCHEME OF LESSONS

Lesson No:

1. Fundamentals of advertising and its evolution.

2. Advertising budget and its planning.

3. Advertising media.

4. Media planning.

5. Advertising copy and its testing.

6. Advertising production.

7, 8 and 9

Sales management.

10. Training, motivating, And compensating sales force.

11. Sales quota - and sales territories.

FUNDAMENTALS OF ADVERTISING AND ITS EVOLUTION

Meaning :

The object of all business is to make profits and a merchandising concern can do that by increasing its sales at remunerative prices-Obiviously, advertising is a form of mass communication. It consists of all the activities involved in presenting a non-persnal, oral or visual message regarding a product service or idea. It is paid for by a sponsor who wants to persuade and induce the readers, viewers or listenors to take. some action. The sponsor includes not only commecial firms, but also museums, find raisers and various other organizations. Advertising is primarily a marketing tool of a private enterprise. It is used in all the countries of the world, including socialist countries.

Definition :

The word advertising derived from the Latin word, "advertero" "ad" means "lowards" and "verbs" means "Lturn" Literally it means to turn peoples attention to a specific thing".

"Advertising has been variously defined by different experts Some of the definition are:-

"Advertising is any paid form of non - personal presenition and promotion of ideas, goods or service by an identified sponsor"

- A Gilossary of Marketing Team.

"Advertising is mass paid communication, the ulimate purpose" of which is the impart information to develop attitudes and induce action beneficial to advertising.

- Colley R.H.

"Advertising is mass communication of information intended to persuade buyers so as to maximise profirs".

-Littelfield J.E. and

Kirkpatrick C.A.

"Advertising consists of all the activities involves in presenting to a group a non-personal, oral, or visual, openly sponsored message regarding a product, service, or ideas; this message, called an advertisement is disseminated through one or more media and is paid for by the identified sponsor."

Briefly stated, advertising is the art of influencing human action. It is the art of awakening the desire of the people to possess the product or service. It is a mass persuation and it is any from of publicity given to products or services at the expense of the person who wants such a publicity for bringing his products and services of the notice of the general public.

Elements of advertising :

On the basis of various definitions as given above, it may be stated that advertising possesses certain elements such as:-

(1) It is mass non-personal communication reaching large groups of buyer. It is neither delivered by an actual person not it is addressed to a specified person. The communication is speedy vermiting an advertiser to speak to the millions of buyers in a very short time.

(2) It is a matter of record, giving information to the benefit of buyers it guides them to a more satisfactory expenditure of their hard carned money. The contents of an advertisement are what the advertiser wants.

(3) It persuades the buyer to purchase the goods advertised, which means that advertising devoid of persuasion is - effective. To persuade the buyers the advertiser makes his product buyers satisfying.

(4) The ultimate objective of advertising is to earn maximum of net profit in the long run.

Advertising and advertisement :

It may be noted that significant difference exists between 'advertising' and an 'advertisement'.

Advertisement is simply the message itself where as advertising is a process a programme of activies necessary to prepare the message and bring it to the intended persons.

Importance of Advertising and Marketing :

Nothing except the mint can make money without advertising. Mass production and mass distribution totally depend on all forms of advertising. It has provided immense employment oppotunities to people. It is responsible for creating and delivering very good standard of living to inrummerable people. It has made possible tremendous industrialisation and economic development in many countries, It is the back bone of modern national and international marketing. Modern advertising informs, guides, educates as well as protects buyers, so that they can buy intelligently and raise their standard of living.

Objectives of advertising :

Advertising programme, as an integral part of the sales promotion campaign may have one or more of the following specific objectives.

1. Promotion of new product :

Advertising can make prospects nearer and atleast awere of the entry of the new product in the market.

2. Support to personal selling :

Advertising can more the prospect nearer and nearer to the point of purchase. Under favourable atmosphere, saleman's job is

easter and simple. Actual closing of sale is thus facilitated by advertising. Salling costs are reduced incidentally. It should be noted that advertising and salemanship are really complementary and in no way competitive tools of promotion.

3. Brand partranage :

In the long run, effect of advertising on brands and companies may be of great importance. The advertising programme can aim at consumer awareness and attitudes. Buyers may be induced to purchase and repurchase. If the trial is satisfactory. consumers may stick with the brand. Thus advertising tries to create and retain brand preference and brand loyalty.

4. Immediate buying action :

Advertiser may attempt to obtain immediate buying action. For instance, mail order advertisement point of purchase advertisment, direct action, retail advertisement, price offers, last chance offers are special advertisements, persuading prospects and securing prompt actions.

5. Pre-sold goods :

Well advertised brands and presold goods, Buyers are all pulled by such advertisements.

6. Dealer Support :

National or big firms advertise extensively and intensively to support dealers and distributors so that thay can assure accelerated distribution. Advetisting alone can creats mass markets. Mass Marketing brings about reduction in the cost of production as well as cost of distribution.

Evolution of Advertising :

Advertising for the goods and services is not a new phenomenon Nothing definite can be said as to how old is the method of advertise-

ment It was originally used to warn public against something either to drive or attract the public for something bad or good.

It is presumed that the first advertusement was somewhat in the form of stencilled inscription which were found on earthen bricks preparec by the Babylonians about three thousand years before Christ. "The bricks carry the name of the temple in which they were used, the name of the king who built it. The method was to cut a stencil in the hand stohe and with it stamp each brick while the clay was still soft. There are evidence to suggest that Romans practised advertising, spoken publicity was well-known to the Greeks and Romans. Publicity was made in the cries vendors in the streets and announcement by drummers though its scope was very limited. Street vendors contributed a lot towards attracting attention of people to goods. Even the advertising forms were crude, when measured by present day standards, the basic objectives were the same as how that is to communicate and disseminate information and ideas to groups of persons in order to change or reinforce.

Before the advent of printing press three crude forms of advertising were used. They are :

(1) Trade Marks ;

Early craftsmen, generally used to place their individual marks of indentification on goods, like pottery offered for sale. With the spread of reputation of particular craftsman, he was begun to be recognised by the buyers with his distinctive mark put on the goods.

(2) Signs or sign boards :

Some traders put or painted commercial messages on some important places among trade lanes or engraved the messages on the rocks. These meassages extolled the goods that were put to sale. The modern outdoor advertising is the improved form of the same device. Each shop small or big had to inscribe on the wall near to the

entrance to tell the passer by as to what was available in the shop. This practice was very common in Rome for communicating the commercial messages.

(3) *Town Criers :*

Town criers were very much in vogue in Greece for conveying the messages. This institution developed as professional and men engaged in this profession were paid to circulate the important news and messages through the streets adn announced public events.

Early Printed Advertising :

The potentialities of advertising multiplied as soon as the hand press was invented in fifteenth century. At that time postering assumed an important role in advertising the products. Another media development was pamphlets and handbills which were generally used by companies interested in generating goods will for their activities.

By the middle of seventeenth century, the publishers experimented with the issue of newspaper comprising sole advertisements and the first newspaper was a weekly called 'Mercuries'. It appeared in England. The early newspaper advertisement appeared in the form of announcement but during the beginning of 18th century, it became as a 'competitive advertising'. This type of advertising aimed at building a sense of acceptance for previously unknown products. It convinced the paper readers of the advertised products superiority over similar products.

Modern advertising :-

It has only in the later half of the nineteenth century that the mass advertisement came into being. There were so many socio economic advancements and they accelerated to the increased literacy. Such advancements include the Industrial Revolution, Growth of Newspaper and Magazines, Development of Modern advertising agencies and Advent of Radio and Tv., They are explained below.

1) ***Industrial Revolution :***

Invention of steam-power principe led the manufacturers to manufacture the goods on a large scale basis. The widend communication gap between the producer and the consumer put the manufacturer in the selling problem of mass produced goods. So, the need for advertising was developed to bridge the gap.

(2) ***Growth of Newspapers and Magazines :***

Printed advertisements can be carried through newspapers and magazines to the public. With the increase in literary rate, the number of newspapers and magazines increased taking in view the interest of people. They carry the message about new products to far-away markets.

(3) ***Development of modern Advertising Agencies :***

Before the beginning of 20th century, the agents worked as brokers of space in magazines and newspapers. They did not perform any creative work in the advertising process. In the beginning of 20th century sophisticated methods has been followed in advertising. A new phenomenon known by "advertising agencies" began to show their presence in the market. The functions of modern advertising agencies such as planning and writing of advertising messages; the creation of illustrations, the market analysis, and execution of complete advertising compaign had its origin form these advertising agencies.

(4) ***Advent of Radio and Television :***

The advent of radio and television gave way to the growth of advertising. They replaced the town criers and the drawback of printed message. Advertising of goods and services through radio made it possible to reach the people, those who were not able to read the printed message. The message can be carried more quickly through the ear than the eye even to the educated.

With the invention of television, the role of radio has changed. It has both audio and visual appeals. Advertisers prefer to advertise

on television, nowadays. because of sight and motion transmission by colour, which attract more people.

Now the video cassette records and computers are being introduced into many homes, that may change the form and practice of advertising.

(a) Study of market place and consumer meaning and definition of market:

The word 'Market' is derived from the Latin word 'Marcatus' meaning merchandies, wares, traffic,trade or a place where business is conducted. The common usage of market means a place where goods are bought or sold. Market is defined by different authorities. Some of them are presented below.

"Market includes both place and region in which buyers and sellers are free competition with one another". -Pyle.

"By market is meant not any particular place in which things are bought and sold, but the whole of any region in which the buyers and sellers are in such free intercourse with one another, that the price of the same goods tends to equality easily and quickly" -Cornot.

"The term market refers not a place, but a commodity or commodities and buyers and sellers who are in direct competition with one another" - Chapman.

"Market for most commodities, may be thought of not as a geographical meeting place but as getting together of buyers and sellers in person, by mail, telephone, telegraphy or any other means of communication." - Mitchell.

"A market is a centre about which or an are a in which the forces leading to exchange of title to a particular product operate

and towards which the actual goods tend to travel" - Clark. Clark.

The word market is commonly used and may mean any of the following factors.

1. Market may mean a place, where buying and selling take place.

2. Buyers and sellers come together for transactions.

3. An organisation through which exchange of goods takes place.

4. The act of buying and selling of goods

5. An area of operation of commercial demand for commodities.

Study of market place:

The market place have been studied in various ways on the basis of different characteristics. Some of these characteristics are:

1. Geographical area, 2. Position of sellers, 3. Volume of business transacted, 4. Nature of transaction, 5. Commodity, 6. Capital, 7 Organisation, 8. Competition, 9. Consumer, 10. Government Mawrkets 11. Non-business Markets.

I) According to Geographical area:

On the basis of geographical area, markets are classified into A) Local Market, B) Regional Market, C) National Market, and D) International Market.

a) Local Market:

In this market buyers and sellers belong to a small local area, usually a town or a few villages. Local market has retained its importance in case of the marketing of perishable goods like fish, vegetables etc.

b) Regional Market:

In this market buyers and sellers from a few villages and towns or even districts come into contact through the mechanism of marketing.

c) National Market:

When for a certain commodity or commodities a country as a whole is regarded as one market it is called national market. In this case buyers and sellers of any foreign country do not comento the picture.

d) International Market:

When sale and purchase goods involve buyers and sellers from beyond the boundaries of a country it is called world or international Market.

2) On the basis of the position of sellers;

Taking into consideration, the position of sellers in the markets are studied from the following point of view.

a) Primary market:

It is one in which primary producers of form produce sell their goods to the whole salers or their agents.

b) Secondary market:

Here wholesalers sell their goods to the retailers for selling it to the consumers.

c) Terminal market:

It marks the end of the journey of the goods from the place of their origin. Here consumers purchase the goods from the retailers.

3) ***On the basis of the volume of business transacted*** :

a) ***Wholesale market***

When goods are sold in bulk to the dealers, it is called the wholesale market.

b) ***Retail market***

Here, goods are sold in small quantities directly to consumers. On the basis of nature of transaction.

a) **Future market:**

Here, contracts are entered to deliver the goods in future. These contracts do not require actual delivery of goods from sellers to buyers.

5) ***Commodity market*** :

It consists of a) Produce Market b) Product Market and c) Bullion Market.

a) ***Produce market*** :

In this marker, agricultural produce is bought and sold.

b) **Product market** :

In this market, manufactured goods are sold and purchased. These may be (i) consumer goods market and ii) industrial goods market.

c) ***Bullion market*** :

In this market, precious metals such as gold, silver, etc., are sold and purchased.

6) **Caoital market** :

It includes a) money market and b) security market.

a) Money market :

In this market two types of currencies are dealt with like Home currency and Foreign currency.

b) Securities market :

This Market is otherwise called as stock market. In this market all kinds of company's Shares, Debentuses, Stock and Government bonds etc., are brought and sold.

7) Organised market :

Market which operate on the basis of their respective rules and regulations etc., are coming under this group. These are otherwise called as regulated markets. These are the markets organised and run under the Act of the State Governments.

8) On the basis of competition :

a) Perfect market :

A market where in free play of all the "market forces" are said to be operating is referred as the perfect market.

b) Imperfect market :

A market where restrictions are imposed to the freeplay of the market forces and obstructs free competition. is referred as the imerfect markets. It is othorwise known as monopoly market.

9) Consumer market :

The consumer market consists of individuals who buy products or service for their personal or household use. They will never buy products or service for the purposes of making a profit out of it.

10) Government market :

The Central Gevernment, State Governments, Municipal Corporations and councils, District, Taluks and Village Panchayats are constituting the Government Markets. They spend hundreds of crores

of rupees, for variety of services. Such services may include police protection, education, health services road and plently of other things.

11) ***Non-business markets*** :

These markets consists of non business organisations that seek to render service to the society and not for earning profit. Organisations such as schools, charitable hospitals, clubs constitute non business markets.

The Study of Consumer :

Meaning of Consumer: Consumer is one who purchases various types of goods and services for his personed or household consumption and not for the purpose of any resale of it to make a profit. A study of consumer enables or marketer to take marketing decision which are compatibled with its consumer needs. Purchase decisions of any product or service by consumer relates to his behaviour. So the behaviour of consumer may be studied in the following ways.

a) Age:

The consumers behaviour differs according to their age. Consumers are in different ages. Consumers are grouped into the following age groups.

Age group................0-14, 15-19, 20-24, 25-29, 30-39.
................40-49, 50-59, 60+.

According to the age, the needs of consumer varies and they want to buy any a particular type of products. For instance, the need for footwear varies according to their age. The following table illustrates their needs.

Age Group	Type of Clothing prefered by Male Consumers.
0-14	Parents Preference.
15-24	T. Shirts and Jeans
25-29	Half Shirt and Pant
30-39	Full Shirt and Pant/Dhoti
40& above	Shirt and Dhoti

b) Sex:

This is an important criteria to study the behaviour of consumers. The tastes, liking of male consumer and female consumer varies in the consumption of various products like clothing, foot wear, cosmetics etc. So it is necessary to study the consumers on the basis of sex to know their requirements. The study of the sex composition is or special importance to the marketeer.

c) *Marital Status* :

The study of consumers on the basis of Marital Status has special relevance in marketing. The consumers have difference in terms of needs, attitudes and behaviour with different marital status, This consists of unmarried, married, widowed and divorced consumers.

d) Literacy :

The habit of food, clothing, shelter, and involving in various activities like playing games, travel, entertainment etc., varies among the consumers according to literacy.

e) Religion :

To a marketing man it is essential to study and understand the religion of consumers. The festivals, culture, consumer, varies from one religion to other. The buying decision for any product depends upon the above said factors.

For example, the Sikhs used to wear lungi, chole and turban and female in this religion used to wear shalwar and kameez mostly, and the sarees are prefered by South Indian females. Like that, the food habit also varies. Sikhs consume wheat whereas, Hindus in the south of India prefers to consume rice. Thus, it can be noticed that religion has become a factor in the purchase decisions of the people,

ADVERTISING BUDGET AND ITS PLANNING

Budgeting is an activity of management. Advertising budgeting is therefore a responsibility of advertising manager or the marketing manager. The advertising budget is a statement of expenditure on verious advertising activities and of income generated from advertising in the same period.

Advertising budget is a functional budget, setting the goals and objectives in terms of income and expenditure on advertising during a specified period of time, usually called the budget period. It serves as a decision making tool in the hands of top management while allocatting available funds to the various functions and activities of the company.

While preparing an advertising budget the person who is entrusted with this function must observe two fundamentals.

(i) Budget must be constructed with the financial capabillities of the company otherwise the plans set will remain unexecuted due to short of funds.

(ii) It must specifically contain the details on the allocation of funds to specific operations. Then only it will be able to perform its single most important purpose of budgetary control.

Determining the results of advertising and consequently the amount of money to be allocated in an advertising budget are complicated by several major difficulties. Some of these arise out of the following factors:

(i) The effects of external variables such as population, or income, changes on economic conditions and competitive behaviour;

(ii) variations in the quality of advertising :

(iii) uncertainity as to the time-lag effect of advertising; and

(iv) The effect of the firm's other marketing activities such as product improvement and stepped-up personal selling.

Budgeting for advertising involves the allocation of a portion of the total marketing resources to the advertising funcation in a firm. The size of the budget allocation should be based on the potential contribution that advertising can make to the attainment of the company's operating objectives. Advertising budget should therefore be based on a careful analysis. Accordingly, the size of the advertising budget should be large enough to maximize the profit contribution of advertising to the firm. Both the sales that can be generated form various size advertising budgets and the corresponding cost of sales and of advertising must be estimated to asses the profit implications of each budget.

In order to determine the amount to bes pent on advertising, a marketing manage must have estimates of the effects of communications allocations. He may rely on computer planning models to project sales response estimates. Idealy, a firm may choose to spend promotion funds upto the point where marginal cost equals marginal revenue. Such analysis may be used for advertising buget decisions.

Marginal analysis provides a very useful frame work for guiding the management towards the appropriate information, estimates, and analysis required for advertising budgeting. According to the frame work, the management must select performance objectives for advertising to asssess the potential contribution of various advertising expenditures. A practical procedure, consistent with the marginal analysis framework, is to begin with the previous period's advertising budget, and alalyse the change in performance contribution resulting from budget levels.

Advertising budget planning:

Advertising management is essentially a matter of setting objectives, planning operations to achieve the objectives, putting the plan into action, and controlling operations. The principal instrument used in performing these functions is the advertising budget.

Factors bearing on advertising budget planning:

Some of the most important factors to be considered in this regard are:

(1) Size and extent of the market

(2) Role of advertising in the marketing mix,

(3) Stage in the product life cycle,

(4) Product differentiation,

(5) Project margins and volume,

(6) Competitive spending and,

(7) Financial resources. All these factors are interdependent, interrelated and changing and must be considered simultaneously in the actual budget planning.

(1) Size and extent of the market:

The size the budget is a function of how many people are to be reached. In terms of advertising it costs more to reach large widely dispersed, national markets than small highly concentrated, local markets.

When introducing a new product or when considering market expansion, the size of the market must be determined, Reletively few advertisers can afford to introduce new products nationally. Smaller firms are more likely to introduce market by market or region by region. It is far better strategy to spend enough on a smaller scale than to spread a larger effort out too thin.

In demoglaphic terms, it costs more to reach broad heterogeneous markets than one or two well-defined market segments. To reach heterogeneous markets requires costly television, general magazines and newspapers. To reach smaller, well-defined segments require less costly specialized magazines and local radio involving less wasted coverage.

(2) Role of advertising in the marketing mix:

The greater the role of advertising in generating sales, the larger the advertising budget is likely to be. The full burden of selling manufacturers brands to consumers in self service super markets is carried by advertising. At the other extreme, personal selling is relied upon to sell industrial equipment such as metal working machinery. Logically, the advertising budget is higher for the former than the latter. Manufacturers of competting brands in the consumer good market, whether self-service or not, find it necessary to presell their brands by building brand awareness and perference before buyers enter the retail out. Dependence on advertising to do this preselling is reflected in larger budgets. In the marketing of industrial goods, where there are fewer customers who are more easily reached directly, advertising plays a supporting roe to persona selling and the budgets are smaller.

A major factor in the marketing mix that directly affects the amount to be spent on advertising is the amount to be spent on promotions, both to consumers and to the trade. To induce trail of a new product through sampling, couponing trade allowances and so forth, it is not uncommon to spend more on promotions than on advertising in an introductory year.

For products such as coffee, paper products and flour, the trade allowance are high; media expenditures may represent no more than 10% to 15% of the total promotion budget Conversely, health and beauty aids, cigarettes, and soft drinks use a high percentage of media advertising with trade allowances being as small as 20% of the total.

3) *Stage in the product like cycle:*

The introduction of a new product generally requires behavior advertising. The cost of launching a new brand in a highly competitive field may wipe out gross profit for the first year. Building brand awareness, introducing trial, and gaining retail distribution requires heavey initial advertising and promotion expenditures.

Once a new brand is successfully launched, the firm might pursue one of the three strategies.

a) building strategy, b) holding strtegy. and c) harvesting strategy.

a) Building strategy:

A building strategy calls for substanital increase in advertising accompained by lower short-term earnings to exploit an opportunity the brand offers to attain a higher market share.

b) Holding strategy:

It calls for continued advertising form year to year about the same relative weight,

c) Harvesting strategy:

A harvesting strategy is designed to gain higher short-term earning and cash flow by reducing advertising expenditures and permitting market share to decline.

4) *Product differentiation:*

When the product offers a unique benefit that the buyer can readily perceive when using it, the amount of advertising needed trends to be less than when no such clear diferentiation exists. Fewer and shorter messages cost less and this would be reflected in a smaller budget. On the otherhand when there are no apparent differences among competing brands, the budget should allow for investment spending to build a long-term capital assert in the brand image.

5) *Profit margin and volume:*

Profit margin per unit and volume of sales and inseparable considerations. If the margin is substantial there is considerable leeway in establishing the size of budget. For cosmetics, health and beauty aids, the margin for advertising. promotion and profit is typically 40 to 50% of the retail price.

A small margin per unit may be made up for a large volume, Because their volume of sales is so high, cigarettes, soap are heavily advertised.

6) *Competitive spending:*

A comparison of brand shares of total sales in a product category and brand shares of total advertising in that category generally reveals a high correlation. This relationship may be a selffulfilling prophecy: the greater the sales, the more we spend on advertising.

Spending in and of itself, does not determine, advertising success, how much competitors spend should not be only deciding factor. To the extent, however, that competition for share of brand is related to the share of market and this factor should be taken into account

7) *Financial resources:*

The most obvious limitation on budget planning is the amount of funds available. The advertising cost to enter the national market in many product categories is prohibitive except for relatively few firms who have termendous financial resources.

Relatively small firms with limited funds that have a superior product or service can start on a small scale and generate more many. for advertising on a pay as-you go basis as sales increase. The scale of advertising. like the scale of manufacturing, must be adopted to funds available.

Advertising Media

Media are the means by which advertisers reach their prospective and existing customers with advertising messages. Media is an essential component of advertising industry engaging more people than any other division of industry. Furthermore, of all the amount spent an advertising programmes and compaigns, approximately more than half goes to media.

Types of media:

There are different media of advertising, print media, broadcast media, direct mail, out door and many other media serve the public by communicating the message of advertiser to masses. The advertiser has to select the media which is most suitable to him keeping in mind the various economic and social considerations such as cost of media, size and nature of business, coverage of media and the number and class of the audience. Sometimes the advertiser uses more than one media at a time in the same market or different media in different markets. Various advertising media available to marketers are:

(I) ***Broadcast media:***

(A) Radio

(B) Television

(II) ***Print media:***

(A) Newspaper

(B) Magazines

(III) Oust door and transit.

(IV) Specially and

(V) Direct Mail.

1. ***Broadcast media:***

The advertising message communicated to the audience over the air waves, is called the advertising through broadcast. Advertisers use two types of media to reach the target consumers in this method. They are (A) radio and (B) television.

(A) ***Radio:***

Advertisers using the medium of radio may also be classified as national or local advertisers. The radio is a prominent vehicle of advertising in our country and account for a large sum of the total advertising budget.

The radio serves principally the local rather than the national or large regional markets. Many samll advertisers use the radio.

Advantages:

1. The Radio, advertising has the advantages of immediacy, low cost, flexibility and practicality.

2. It reaches virtually everyone, in their homes, cars or elsewhere, because of portable receivers providing a means for reaching a mass market.

3. It is selective enough to provide opportunities for reaching a particular market segments and many stations focus on particular interest groups.

4. The marketer may achieve selectivity by choosing particular hours of the day and days of the week which are the best for his commercials.

5. The radio is an inexpensive medium for many organizations. Marketeers may purchase commercial time according to their needs.

Disadvantages:

1. It has fragmentation, the unavailability of the advertising message for future reference,and less research information.

2. A message on the radio lasts only for a short time.

3. If the consumer is not affected during that period, the entire effect of commercial is lost.

4. Moreover radio appeals only to the sense of hearing. The medium cannot take the advantage of the visual means and communications.

B) Television:

Oflate in India, a growing class of advertising media has been the T.V. in our country, commercial advertising on TV is severely limited because broadcast timings are only in the evenings. The TV is a unique combination of sight and sound, and achieves a deeper impact than the other media do.

Advantages:-

1. TV appeals to both the senses of sound and of sight. As a result it combines the two to produce a high impact of commercials.

2. A Product or service promoted on TV may build a prestigious image of the product and its sponsor.

Disadvantages:

1. In our country not everyone has a TV set; therefore it does not reach everyone;

2. In rural India where 80 percent of our population lives, there are hardly any TV set; except at the community. centres and that too, at places where electricity is available.

3. TV programmes is our country do not offer much selectivity. The transmission is limited any many centres do not have TV towers.

4. Only a limited message is possible because of the limitations on time and high cost.

II Print media:

The print media carry the message entitely through the visual mode. These media consist of newspapers magazines and direct mail.

A) News papers:

A sizable share of the total advertising budget is spent on the advertising in newspapers. Newspapers in our country virtually reach most of the homes in the cities and many member of the family read them. Their message can be longer than those on the radio and TV. Since newspepers are local, marketers can easily use them to reach particular markets. The closing times for advertisements in newspapers are not rigid. Some are in twelve hour, range.

Advantages:

1. Newspapers are local in content and appeal, and provide opportunities for direct communication between a product and its local dealers.

2. Advertisers can reach a very broad audience through newspapers.

3. Newspapers offer an atmosphere of factual information that may be favourable for some advertising situations.

4. The advertiser may choose the specific areas to be convered, and the advertisement can be placed in newspapers at very short notice as compared with other media.

Disadvantages:-

1. The cost of reaching a national or large regional market may turn to be high

2. Consumers do not keep the issue for long period of time.

3. Finally, in the eyes of consumers, newspapers do not have the prestige of TV and some magazines.

(B) Magazines:-

Magazines are a means of reaching different markets both regional and national and of general and specific interest. An organization may approach national markets through national publications such as the Business week, Femina, Sports week. Filmfare etc. Regional magazines are available for those marketeers who do not want a national coverage. Some marketeers decide their markets on the basis of variables such as age, educational level and interests. They are likely to be concerned with special interest magazines. Magazines are divided into those that serve business industrial consumers, ladies, sports, etc. The diversity of magazines is tremendous. Some offer news or other "general interest" confined to huge audience. Others are highly specialized and technical. In general, magazines offer advertisers the opportunity to reach the highly selective audience.

Advantages

1. The primary advantages of magazine advertising are selectivity and market targets, quality reproduction long life and the prestige associated with some magazines.

2. Consumers some times keep individual copies for long periods of time reread them, or pass them on others. Some magazines have prestisge value.

3. The marketeer can cover national or large regional markets at low cost per contacr.

4. Magazines generally offer high quality printing for advertisements. The paper used and the presses employed in magazine printing make possible the reproduction of right colour, sharp details etc.

5. Advertisements may be read more carefully and with greater depth of interest in a magazine than alsewhere.

Disadvantages:

1. The magazines lack flexibility of newspapers, radio and TV.

2. It is the high cost media. Because of the high cost factor, many small advertisers do not employ this medium.

3. Due to vast circulation, individuals who are not target consumers are exposed to the advertising.

4. Finally magazine has long closing periods, some times as long as month.

III - Outdoor and transit media:-

These type of media reach consumers at point other than in their homes.

(A) Outdoor Advertising:-

Outdoor advertising involves the use of signs and billboardse posters or displays and electric spectaculars. The marketeers may purchas billboards on the basis of showings, A showing indicate the percentage of the total population of a particular geographic area that will exposed to it during a one month period. The number of bill boards is as would attract approximately 90% of the local population about 20 times during a month. Signs boards are usually smaller than billboards and are erected and maintained by the marketer rather than by the advertising media. Marketeters should design sign boards that can be easily seen by the Passerby. The signs should be easily visible from a block away and contrest nicely with other nearby signs that are in different colours.

Window signs are a possible means of generating consumer interest in particular items. The product that are on sale or that are new lend themselves to special promotion offorts. Signs indicating that a new product is available or that some products are on sale, or that additionals to the stock have been made might be of special interest to consumers.

Advantages:-

1. This form of advertising has the advantages and communicating quickly the simple of repetition,

2. It is particularly effective in metropolitan and other hightraffic areas.

3. The advertiser can use this medium to bring the product to the attention of consumers; or to remind them of the product, while they are on shopping trips or are disposed towards shopping.

4. Consumers see the bill boards or signs many times as they drive to and from work, and shop.

5. Advertisers may utilize this medium to econimically reach a large mass of people or small-local markets.

Disadvantages

1. The medium is "disadvantaged" by the brevity of its message and by the public concern over aesthetics.

2. Usually, the message is short, not over eight words; otherwise those who drive by would not have time to read it.

3. The public's adverse reaction to what it considers to be the clutter of signs and billboards is fairly strong.

4. Finally the vehicle drivers and passengers are confronted with numerous distractions.

b) Transport advertising :

Transport advertising appears on the inside or outside of taxis buses, railways, and other modes of passenger transportation. Transportation advertising is sold by specialized firms, and the rates are generally based on the number of vehicles on which, or the other locations in which, the advertising is to be shown. The most familiar

types of advertising are car cards. displays, and posters found in or on buses and other means of mass transportation.

Advantages:

1. Marketeers may use transit advertising to attain high exposure to particular groups-commuters on their way to and from work and tourists.

2. Respeat exposure is possible, because the majority of the people in our coutnry use public transport as recurring basis.

3. Transport advertising is useful in reaching consumers at an advantageous point in tiem-while they are embarking on a shopping trip.

4. This medium is a low cost medium.

Disadvantages:

1. The message conveyed must be short, so the marketeer who has a long complex set of communications to transmit, should seek another medium.

2. Transport advertising reaches only that segment of the population who are passengers, or in the vicinity of the vehicles as they move by.

3. Finally, only a limited amount of advertising space is available.

IV Speciality advertising:-

It involves placing the sponsor's name and often, a short message on novel or useful articles, These include calenders, pens, pencils, desk, pads, paper weights, ashrays, drinking glasses, diaries, personalized buisness gifts of a modest value, shopping bags, memopads, balloons, keychains, and hundreds of other items.

Marketeers use speciality article to reinforce messages carried by other media. thev do not employ them as the prime thrust of their advertising programmes.

This medium is low in cost. It provides the advertisers with an opportunity to remind target consumers of the products. Consumers are exposed to the message quite frequently Finally, the marketeer can be selective in directing speciality articles to specific target consumers.

V. Direct mail :

It is one of the most important classes and advertising media. The concerns that employ direct mail brochures sales letter, post cards, leaflets, folders, booklets, catalogues, etc., The direct mail offers the advertisers a maximum of selectivity and flexibility They do not use advertising media such as TV or magazines.

Advantages

1. Selectivity, intensive coverage, speed, format flexibility, complete information and the personalization of each mailing piece are the prime advantages of direct mail.
2. There is minimal waste circulation because the mailing list consists only of those who are likely prospects for the product (or) service in question.
3. The marketeer can keep down the cost of a direct mail compaingn by using a mailing list of limited size.
4. There are no media closing dates, and it is free from many of the distractions, such as editorial meterial and other advertisements, that appear in the media.
5. Finally the marketeers can tailor the quality of the production work to their exact. needs. The effectiveness consideration makes direct mail an ideal medium.

Disadvantages:

1. Direct-mail advertising is generally much more expensive than advertising in other media, because of the high costs of delivering messages individually.

2. It suffers from a lack of prestige. Some prospectus consider direct-mail materials to be a nuissance and simply desposit them in a waste paper basket without reading the contents.

3. Marketeers often experience difficulty and incur high costs in obtaining a list of good prospects and in updating the list as new prospectus appear and old prospectus disappear.

Media Planning

Media, as we know, is a very important component of advertising that carries the idea or message of the advertiser to the masses. It is therefore pertinent to plan or control the media. Media planning is another important phase of advertising. It is the process of designing a course of action that shows how advertising time and space will be utillised to contribute to the achievement of marketing and advertising objectives. Media plan from information about the market and the prospective consumers. These informations are collected through market research. Media decisions are based primarily on two variables, namely.

(i) The creative strategy established for the campaign and (ii) the characteristics of the target market.

(i) *Creative strategy* :-

The creative strategy developed for the advertising compaign may require that certain media by employed or more likely, the advertiser may have a strong preference for certain type of media to be used in communicating the message. These factors influence the media decisions and should be considered when media are being selected.

(ii) *The target market* :-

Facts about the target market are gathered, through market research and generalised into consumer profile. The consumer profile along with the basic copy strategy and copy requirements as modified by and held for seasonal or geographical emphasis and taking into account the size of advertising budget is then

analysised by the media planners. The analysis is, then, followed by matching the audience characteristics of various with the consumer profile and by evaluating the adaptability of the physical formate of the media to the copy requirements.

In media planning, the help of advertising agency may be sought or this work may be delegated to it. The advertise will, in most cases, review the media plan as developed by the agency and approve it finally before it is implemented.

Advertising agency has specialist media planners and they recommand for specific media.

Key Factors influencing media planning :-

There are so many factors that influence the media planning. These factors may be grouped into three major forces.

(I) Marketing conditions, facing the advertiser

(II) Specific media consideration and

(III) Level of competitive advertising efforts.

(I) *Marketing conditions* :-

Marketing conditions, to a great extent,; influence the marketing plans of the advertiser that in turn, influence the advertising plans. Media plans are likely effected by what the firm hopes to achieve in the market place through the use of advertising. A good creative strategy will fail if the marketing conditions are not favourable. Further more, the basic nature of the market-its size, its location and its qualitative characteristics such as sex, age, socio-economic conditions and educational background does make an impact on media plan. In addition, there are four other facts to consider when assessing marketing conditions-product characteristics, distribution channels, promotional strategy and the nature of advertising copy.

(I) *Product characteristics* :-

Product characteristics also decide the media to be used by the advertiser, certain specific characteristics mas disqualify its advertiser to use a particular medium. If product requires, demohstration. the advertiser may select TV as a medium. On the other hand, if a detailed discussion of sales points is necessary, print media will be preferred. The media selection requires a consideration of product-status.

(II) *Channels of distribution* : -

Most products can be promoted through any type of media. but factors other than product characteristics must be considered. Geographical distribution of goods or different channels of distribution are other points worth consideration. If the product is distributed ·cally or regionally the media that may cover those markets may be more useful. If the advertising is done through national media, it will prove in:...cient. On the otherhand, if product is sold or distributed in national market, the choice of national media should be preferred or a combination of national media with local media may produce better results, but advertising in local media in no case. would be efficient.

(III) *Promotional strategy* : -

There are various types of the promotional mix-advertising personal selling, sales promotion and public relations. The advertiser or the planner must coordinate all these parts so that an inter-depen-dence may exist among them. If an adveriser wishes to promote the sales of the product to consumers, any sales promotion device should be advertised aggresively to make it successful. In such cases, all media may be used rationally. But, if additional promotional efforts are required in response to sudden need, a nexible media such as newspaper or radio which accepts the advertising copy on short notice may be the choice.

(IV) Nature of the advertising copy : -

The advertising message itself pays an important part in making choice for the advertising media. The message or the campaign themes may be designed for universal use. Slogan type campaigns have universal approach where as animated cartoon or demonstration themes of household cleaning aids are more effective on television.

II Media consideration :

Advertising media possess certain dimensions that affect the media decision. In deciding the media objectives, various factors have their impact on media decision. These factors are:

I Size of the budget :

The size of the advertising budget puts an upper limit on the advertising efforts to the advertiser. The smaller is the size of the advertising budget, the more difficult task, it will be to make a media selection decision because small budget advertisers cannot afford anywastage in their advertising programme. On the other hand, the large budget advertisers may be able to stand some waste in their advertising programme. The size of the budget prescribes what media, an advertiser can afford. A small budget owner cannot afford to a media which is easily afforable by a large budget owner.

(II) Media characteristics :

In developing media objectives, the four major inherent characteristics of the media should be considered. They are reach, frequency, continuity and domance. The first two are undoubtedly the most critical factors in media decisions while the other two are not less important.

(a) Reach :

It is related to coverage i.e.. the number of people who are xeposed to the message atleast once during a stated period.

b) Frequency :

It is the number of members of the audience are exposed to the advertising message. When the advertiser wants a high rate of reach, many media vehicles are to be engaged simultaneously.

c) Continuity :

Continuity of advertising means many things. For instance it related various advertisements in an advertising programme to one another. This is important because isolated advertisements generally make little impact. It means a continuous scheduling of advertising during a month or a year. If a company advertises daily, its campaign has excellent continuity.

d) Dominance :

Dominance has been defined as "superior to all others". In advertising „dominance means size and length of the message unit. A full page advertisements are considered to be more dominant than half pages.

(III) Media discounts :-

Having considered the type and class of media, the advertiser may select to concentrate advertising in a few media because of the discounts offered by the media owners. Few national advertisers use only one medium or one class of media regularly and they get a hand-some discount as compared to offers given by other media owners. The savings in this way is better utilised to enhance the readership through better quality advertisements, i.e., colours may be used or larger space can be utilised.

(iv) Media cost efficiency :-.

Very often the advertisers want to carry the message to the largest number of audience and thus attain an economy in cost of advertising per audience. They compare the total audience with the

cost and take this ration as the base and choose the most efficien medium.

(V) Media availability :

The availability of time space may also determine the media choice. This factor is more relevant in television Often, the advertiser could not use the media because suitable time slot is not available. Sometimes, an advertiser who has not planned to use television in his programme may plan to use it if suitable time is available

III) Competitive advertising efforts :

One important goal of every marketeer is to design a marketing programme that may retain or improve his market share. The phoilosophy and matching competitors advertising may affect the media planning. The advertiser should have a close watch on the media used by this competitors. The advertising agency which designs the advertising programme for the customer must recognise the influence of major competitor's programmes on its client who making media recommendations.

Many advertisers impose their personal media preferences, while making the media decisions for their products because all firms in an industry do not have uniform advertising objectives and therefore, they may choose a medium which suit the specific needs of the advertiser irrespective of the medium used by competitors.

ADVERTISING COPY AND ITS TESTING

(A) Advertising design and art of layout :

The attainment of advertising objectives largely depends on the way the advertising copy is designed. An advertising copy may be defined as "all the written or spoken matter in an advertisement including words, sentences and figures aimed at conveying some desired message to the target consumers.

Thus, an advertising copy speaks out to the target consumers in an impersonal way through audio-visual media, what an advertiser is unable to do personally.

Types of advertising copy :

In order to transmit the message, an advertiser may choose different kinds of advertising copies, namely, factual, emotionale, descriptive, narrative, humorous or testimonial depending on the market requirement.

(I) Factual

The factual advertising copy, factually interprets the reward potential of a product and appeals to one reason and rational motives.

(II) ***Emotional***

An emotional advertising copy emphasises human interest and stresses consumer satisfaction rather than product advantages. It plays upon a variety of consumer motives so as to induce an action.

(III) ***Descriptive***

The descriptive copy describes a product and its distinctive features in detail so as to inform cousumers.

(IV) Narrative :

The narrative copy employs the technique of story telling by relating it to the product use. It usually high-lights a predicament and then suggests the product use.

*(V) **Humorous or testimonial*** :

The humorous copy users wish to convey the message, while testimonial copy carries a suggestion or advice from somebody considered important to the consumers.

Essentials of goods advertising copy :

It is really difficult to say as to what consitutes a good advertising copy because such a judgement has to based essentially on ones qualitative evaluation in which subjective and perpectual elements play the predominating role. A goods advertising copy does succeed in conveying to the target consumers what an advertises desires to convey. It performs two important functions, namely, conveying of message and favourably pre-disposing target consumer towards the company and its products. In order that an advertising copy performs these functions, it should have the following characteristics.

1. ***Information*** :

An advertising copy should convey to its audience all the relevar information about the product features, uses, prices, availability etc., should leave no questions unanswered and never allow its consumers check past or future advertisements or look to other sources for releva information.

2) *Interest* :

In order to induce action, an advertising copy should arouse consumers interest. It is only out of interest that consumer reads the copy and thinks over it.

3) *Credibility* :

To be effective an advertising copy should be believable Believability in a copy refers to the consumer confidence in what is being old. Belief is greater when tagged to the basic and genuine consumer desire and the advertiser's claim is verified by experience.

4) *Persuasion* :

To be successful an advertising copy should be persuasive, Such a copy reflects an advertiser's genuine conce for the consumption problems of consumers. A persuasive copy is sincere and frank, simple restrained and friendly and warm.

5) *Language* :

In a multilingual country like India, the question of language in an advertising copy is very relevant. To be effective, the copy should contain language and words which the target audience can understand and correctly interpret.

6) *Conform to rules* :

The advertising copy should always conform to rules so as to be acceptable to media and courts.

7) *Use of Appeals* :

A good advertising copy makes sufficient use of appeals. The various needs of consumer may be capitalised upon by a copy writer.

For example, Limca advertising copies exploits the psychological needs and appeals to "thirsty" people. Where as Campacola exploits the psychological needs and appeals to the 'fun' people.

The qualities of an effective and good advertising copy described above are not exhaustive. Many more qualities may be identified, such as brevity, clarity, simplicity etc.,

Copy testing :

Copy testing is a tool involving a procedure where the effectiveness of and advertisment is measured before it appears in its final form, during and after its exposure to the audience to determine whether and to what extent, it has accomplished its assigned task. In this way the copy testing is a method used to control the effectiveness of future advertising.

Copy testing is an important of advertising management and also interesting subject from the professional and scientific points of view. Professionally, there are a number of firms that after assessing the effectiveness ness of the copy go in for print advertising and broadcast commercials.

Types of copy tests :

Copy tests can be grouped as pretestc and post-tests. Pretests are made before an advertisement has been run. It can be done at three stages:-

i) at the beginning of the creation process,

ii) at the end of the creation process, and

iii) at the end of the production stage.

The main purpose of such testing is to measure the effectiveness of different presentations of the message including alternative presentations of the message in a single theme. Such tests help one to choose the best form of advertisement before incurring the expenses and the risk of presenting it on a full scale run. They are intended to discover the plus and minus points of advertising campaign and of the individual advertisement.

The tests which are made after the campaign has been launched are generally known as post-tests. These tests are conducted to determine the effectiveness of an advertisement after it is published. Post-tests messure the impact of the message. They seek to discover which advertisements and what elements of various advertisements get the best response, what position produces better results, what medium or issue of a medium pulls better or how will a whole advertising compaign progressing. Such tests provide information about whether a brand name or the selling theme of a given advertisement penetrated to the reader's mind and extent of its penetration.

Methods of techniques of copy testing :

A widely used measuring techniques of copy - testing fall under the following two categories namely pre-test techniques and post - test techniques below.

(A) Pre-test techniques :

(I) Consumer jury survey :

This method essentailly involves the exposure of alternative advertisements to a sample or jury of propects and the securing of their opinions and reactions to the advertisements. This test is designed to learn from typical group of prospects gathered in one place or a sample of prospects who are independently visited by interviewers or contacted by mail. It is done to know the customers' preference for one advertisement over the other or for several adveritsements out of a group. The juror is instructed to rank the advertisements in order of their likes and dislikes. The ranks given by the surveyor represents the action provoking power of the advertisements.

(II) Coupon-return analysis :

Sometimes, advertisements contain certain offers. Readers or consumers are requested to return that offer to the dealer concerned from whom they will purchase the goods. On the basis of such

returned-offer, the themes, advertisements or various elements are measured. The devices used for this type of analysis are.

(a) An open coupon offer.

(b) A hidden offer; and

(c) Split-run technique.

(iii) *Sales area test (Or) Local area test* :

This is a pre-test method of testing the effectiveness of different advertisements in a group of local market employing different themes or copy presentation techniques through their effects on sales. In order to measure sales effect, the advertiser publishers different advertisements in different local markets that are similar in characteristics and they collects sales data either from whole salers, retailers, or consumers. This test is, however, not employed extensively because of the difficulty in controlling the many variables and lag problem.

(iv) Controlled experiments :

Such experiments are similar to sales area in general character but are conducted on a much similar scale. The method used under this techniques, are.

(a) One method is to make use of display materials and signboards at the point of sale. Different advertisements containing different themes or messages are displayed in different grounds of stores. The effectiveness, of each advertisement, then can be measured by the resulting sales.

(b) A variation of the above method may be to make an attempt to sell the product from door to door canvassing and making different messages to the consumers. The percentage of successful sales may be basic for measuring the value.

(c) One more method this technique, is to distribute the hand bills with coupons for offering a cash discount to the consumers. Each handbills contains a different advertisement for the product. The redemption of coupons may be the indication of sales effectiveness of the different advertisements.

B) Post test techniques :

The following are the post techniques for measuring the effectiveness of the advertisements.

(i) Recongnition tests :

It determines the readership of the advertisement in the news-papers and journals. This is conducted by personal interviews with readers, and magazines or newspapers, The interviewers locate the readers of the particular issue of the magazine in question. Then, they go through the magazines with the repondent indicating those advertising elements which he or she recognises as having read.

(ii) Recall or impact test :

The recall test is designed to measure the impression of readers, It a reader had a favourable impression of the advertisement, he will certainly retain somthing of the advertisement. The measures of interest would be obtained by interviewing the readers or viewers or listenors, day after the advertisement or commercial is appeared in the newspaper, or on T.V. Interviewer asks the questions from the readers/vewers and in response to the questions asked, the reader reveals the accuracy and death of his impression by his answers.

iii) Psychological analysis :

Thé whole process of advertising is psychological in character. It is therefore, natural to apply some psychologicalt ests to measure the effectiveness of the advertising.

Four psychological testing techniques are most common used.

(a) Tests of readability and comprehension.

(b) Test of believability;

(c) Attitude tests; and

(d) Tripie associates test.

Advertising design and its layout

Design and layout almost carry the same meaning as consisting of the overall structure of the advertisement copy. Advertising layout is working drawing or blue print for an advertisement. it is a plan showing the sizes, positions and colour weight values of the different units that make up the complected advertisement. In otherwords, layout is an arrangement of various elements of advertisement copy, i.e., headline, subheadlines, illustrations, slogans, text, closing idea and the identification mark with regard to one another.

As an advertising colloquialism, layout is a condensed way of saying "laying out elements of advertisement within specific space limitations". The term is most specifically applied to the design of a newspaper, magazine, outdoor, or transit advertisement.

Function of an advertising layout :

An advertisement layout is a blue print. The main functions of layout are :

(i) Assembling different parts :

The main function of layour is to assemble and arrange the different parts of an advertisement are illustration, headline, sub-headlines slogans, body text and the identification mark. In all the layout presents these elements in the same size, form, shape, position and proportion as desired by the advertiser in the final advertisement proof. Thus, the layout gives both creative personals and the advertiser who pays of it, a good idea of how the finished advertisement will finally appear.

(ii) Opportunity of modification :

The layout offers an opportunity to creative teams, agency management, and the advertiser to suggest modification before its final approval and actual construction and production of the advertisement material.

(iii) Specification for costs :

The layout provides specification for estimating costs, and it is a guide for engravors, type graphers and other craft-workers to follow in producing the advertisement.

Principle of design and layout :

The value of an advertising layout depends on the effectiveness with which message presented. In order to provide a logical, clears and unified presentation of the message, advertising layout should possess the following qualities.

(I) Unity :

Every advertising layout should provide unity or completenesa in the message being conveyed. Unity means oneness. It emerges when the parts are integrated into a whole resulting in an orderly, compact, and logical appearence of the message. The test of unity in a layout is simple. If any part of an advertisement is omitted, it makes the whole advertisement look incomplete.

(II) Contrast :

In order to attract consumer attention, a good layout makes good use of contrast in message presentation. Contrast in layout means presentation of different components of the message in varying sizes, shapes, designs and colours, so that each part looks different from the other

(iii) Proportion :

In relation to advertising layout, proportion means the relationship of message components to the background in which they appear and their relationship to each other. Proportion may be attained by allotting to each component the space and position commensurate with its importance in the total advertisement. Space is often used to establish proportion among different components. A proportionate layout is pleasing to look at one account of harmony of matter; It is optically interesting and attract easy attention.

(iv) Movement :

A good layout provides movement to the message. This is the feature which includes action and rhythm into layout and guides reader's or viewer's eyes from one component to another making sure the customer does not miss anyone. Movement provides directional flow to the advertisement, gives it the follow through and provides coherence. The natural visual flow from left to right is maintained in good layout.

(v) Balance :

A good layout is also a balanced layout. In a balanced layout, the various components are in state of attractive equality. Balance here is a matter of weight distribution and involves the location of sizes, shapes and colour in relationship to the optical centre divided by left and right or top and bottom.

ADVERTSING PRODUCTION

A. Measuring advertising effectiveness.

B. Essentials of effective advertising programme.

Advertising production:

The study of advertising production consits of - (i) Advertising outlays. (ii) Increasing demend for Firm's product by advertising' (iii) Seller;s difficulties in estimating advertising effects. (iv) Competitive demand creation (v) Advertising effects on consumer selections in the market.

Advertising outlays:

Advertising outlays are expected to add to the seller's total receipts; but successively larger outlays per unit of time beyond some point will add successively less. The marginal revenue from advertising will decrease, for outlays added to the seller's total costs i.e., the marginal costs of advertising are positive. The profit maximizing outlay on advertising will be that outlay for which the marginal cost of advertising is equal to the marginal revenue received from it.

In practice, probably less is known about the effects of advertising outlays than about the effects of any other cost outlays made by the firm. Nevertheless, any intelligent approach by the management to the "correct" magnitude of the advertising of the advertising budget must be made on the basis of estimated marginal revenue (MR) and estimated marginal cost (MC), resulting from its contraction or expansion. The Profit-maximizing firm spends an amount which ensures that the combined. MC of the product and of advertising is equal to the price.

the firm gets for its product. The last unit sold is just worth the cost of producting and selling it.

The business firms which advertise usually follow rules of thumb, such as operating with fixed advertising budgets, or spending a predetermined per cent of their sales rupess on advertising, or spending as much as the competitors spend, or spending as much as they think they can "afford" Such methods may be safe, and they certainly require very little thought, therefore, they do have their virtues, but they are not rational.

Increasing demand for firm's product by advertising:

Since the intention of seller is 'to attract more customers to the purchase of his product, he tries to impress upon them the superiority of his product at the price at which he offers it. If he succeeds, he is able to sell more units at any given price, ro to get a higher price for any given quantity.

If it were possible to konw in advance just what effects the various advertising expenditrues would have on the consumer, an entrepreneur would estimate his miximum profit adjustment, taking these costs into account. Actually, however, the effects of such selling expenditures are often very unceratin, particularly when competitors are simultaneously trying to counter-influence demand for the same product or related group of products. What each seller does is to try to estimate amaximum profit price position, given his "best" level of selling cost, by guessing, as best he can, at the shape of his demand curve as it actually emerges from the mass of competitive demand creation schemes.

Seller's difficulties in estimating advertising effects:

Estimating future costs and future demand even in the absence of advertising is sufficiently difficult, although these things can usually be approximated to a fair degree of accuracy. But the estimate of selling costs introduce further difficulties.

Large enterprises annually spend huge sums, not only directly advertising, but in surveys to determine the effects of particular advertising programmes. No conclusion can be drawn merely because sales increased when a particular advertising expenditure was made, for other development may be the true explanation of the sales increase. Moreover, an advertising technique that is new may be very effective for a time, but lose its effectiveness when people get used to it, or when it has been adopted by other sellers. Some advertising becomes necessary to "meet" the challenge of the advertising initiated by others in order to maintain anything approaching a satisfactory position in the market.

Competitive demand creation:

In general, a seller's gain from advertising comes at the expense of some other seller, either of a close substitute or of a less related product. Cadbury's chocolate advertisements may get customers away from Morton toffees or they may cause people to eat more chocolates and see movies. Given any level of national income, the seller's gain takes place largely by drawing customers away from those who are in various degrees in rivalry with him. How long the seller's improved market position will persist, will depend, on the one hand, on consumer preferences and on the skill of the advertiser in getting something that "clicks". It will depend, on the otherhand, on whether the seller's rivals in turn draw customers away from him. This they might have done anyway through independent initiating of advertising but the seller's advertising may well drive his rivals to a compaign to "win back" the customers he has won away from them.

Advertising effects on consumer selections in market:

Advertising may inform, it may mis-inform, and it may persuade. In the first instance, existing underlying preferences become more effectively expressed in the demands for the products of the various seller's in the second, they will be less effectively expressed: in the third, the underlying preference themselves may be altered.

i) In so far as advertising provides information, it makes the consumer's selection in the market more nearly in accord with their underlying preference. When consumers are well informed, producers must meet competition directly, or be eliminated from the market. They will provide high quality and high-priced an goods, or lower-quality, Thus, informative advertising may increase the effectiveness or response to real consumer preferences since the consumers will be able to see and demand what they really want. Dissemination of information on new products is a commonly approved contribution of advertising. Here, it clearly expands the horizons of the consumers, both by increasing information and changing ideas as to what satisfaction are important.

ii) Unfortunately, advertisers are not concerned primarily with providing information to consumers. They are also concerned with attracting them to buy their particular products. Whenever, such advertising is misleading or an out-and-out falsification it leads consumers to make market selection less consistent with their underlying preferences than would otherwise be the case. They may buy "wrong" things; they may spend more than necessary on the "right" ones.

iii) That advertising affects people's ideas of what satisfaction are important, there can be little doubt. How great these effects are is more open to question And whether any particular product will be regarded as "desirable" or not will depend on the particular values of the individual or the group passing the judgement. The advertising that leads consumers to smoke more cigarettes may be regarded as desirable by some but not by others. That which leads to increased milk consumption may be regarded quite widely as beneficial.

Advertising has been praised for many reasons. It has been given the credit for spurring men to greathr productive effort so

that they will have extra income to buy goods that advertising has induced them to want. More frequently, the layman encounters many fallacious situations or propositions.

It has often been argued;

a) That advertising increases sales;

b) That a higher output realizes mass-production economics; and

c) That the benefit of lowering of unit costs is passed on to the consumer a lower price.

A - Measuring Advertising Effectiveness:

The evalution of advertising is divided into media research, copy research and sales results research. The multivariable forces influencing sales make it almost impossible to measure with high precision the sales effect of advertising. Consequently, most advertising research measures the characteristics of an advertisement, such as exposure, and the ability of the receiver to comprehend, retain and believe in the advertisement will be effective in producing sales. The problem of measuring advertising effectiveness is still a frontiel area for the application of complex scientific methods to market cultivation effort, particularly in Indian conditions, in which advertising industry is growing; and its problems are closely tied to the economics and cultural problems of the country.

Worth of advertising :

How much is advertisement, of worth? This is the question that is being asked all over the world, and certainly by the management in India. In the face of mounting advertising costs, on the one hand, and a squeeze on profitability, on the other, top managements are increasingly concerned about the cost benefit of advertising in the operation of a business.

Hard pressed with the escalating cost of raw materials, salaries and wages, strangulated by higher overheads and taxes, the managements of companies are finding it extremely difficult to approve any expenditure that is not likely to bring in auditional profit. Advertising, therefore, has to prove its contribution to the total marketing effort like any other allocation of corporate resources; or else advertising expenditure will run the risk of being set arbitrarily or even slashed drastically.

The techniques of advertising measurement have admittedly not fully developed, and are yet a highly controversial matter. Few experts are agreed on how its effectiveness may be precisely measured. But, surely, inspite of the conflicting theories, it is possible to introduce a greater sense of realism in the setting of advertising objectives and goals, so that its evaluation is not subjective to the caprice of individual opinion. Advertising is a marketing investment; its objectives can therefore be put down clearly indicating the results expected from the campaign.

What is advertising?

The value of advertising cannot be determined unless its role and functions are understood; the "unaccountability" of advertising, in most cases, arises from a lack of appreciation of what advertising can or cannot do.

Advertising should be viewed as a part of the total marketing effort of a company. The glib answer to the question why do companies advertise?" is: "To sell product". But, in recent times, an increasing number of advertising cannot actually sell products.

The Association of National Advertisers, USA, defined advertising as a "mass, paid communication, the ultimate purpose of which is to impart information, develop attitudes and induce action beneficial to the advertiser".

Ostensibly, the job of advertising is to perform certain communication jobs with greater speed, volume and economy than can be done by any other means. This pragmatic approach to advertising is fundamental, and must be accepted before and plans for measurment can be formulated.

Objectives and goals:

Next, it is necessary to define advertising objectives and goals. To measure results, it is even more necessary to distinguish between advertising objectives and advertising goals. An objective is a broad aim; a goal is a specific and quantified task.

Offten, advertising objectives in marketing plans are vaguely worded in general terms, such as, "to increase sales profits" "to expand our share of market", or "to maintain a favourable attitude towards our company among the trade and consuming puplic", Evaluation is not possible in these cases simply because there are no definite criteria for evaluation.

The ideal advertising goal not only makes its point in terms, which may be used a yardstick for performance evaluation but can also be stated as " a specific communication task to be accomplished among a definite audience to a given degree in a given period of time",

Process:

To arrive at such specific goals, it is first necessary to identify the market and the target group in geographical, and, as far as possible, socio-economic terms, and determine the message and the media that will be suitable to persuade the potential buyer. Then, from sthe total marketing mix, the particular communication tasks will have to be separated out, to from the advertising objectives. These should be translated into specific goals and stated in quantitative terms, so that the measurement of achievement may be possible.

Second, when the goals have been thrashed out, they should be written down and agreed upon by all the parties who are involved in making decision on advertising or who are responsible for implementing the communication function. This not only helps in the creation of advertising but also cuts down waste, for everyone has the same agreed goals in mind and acts with a common purpose, instead of pulling in different directions.

The effectiveness of advertising is measured by the extent to which it attains the objectives set for it. In this sense, advertising is like any other form of business activity In a very real sense, the integrity of promotional activities rests on how well those activities work. An advertising budget that is spent to accomplish some poorly defined task is more likely to be viewed as an economic waste than a similar expenditure for which the results can be precisely measured.

The exact result of a given advertising expenditure is extremely difficult to predict because:

a) The reaction of consumer-buyers to the advertising effort, cannot be known in advance:-

b) The reactions of competitors cannot be accurately anticipated and

c) Fortuitous events that may influence the results of the advertising efforts cannot always be predicted.

Tests of effectiveness are needed to determine whether proposed advertisements should be used, and if they will be, how they migh, be improved, and whether on going campaigns should be stopped continued or changed. In accomplishing these purposes, marketeers use pre-tests and post-tests. They conduct pre-tests before exposing target consumers to the advertisement, and post-tests after consumers have been exposed to them.

As indicated eariler, advertisers are interested in knowing what are getting for their advertising rupees. That is why they test the proposed advertisements with a pre-test and measure the actual results with a post-test. In the past, pre-testing of advertising messages was handled mainly by advertising agencies. But advertisers have been taking an increasingly active role in the pre-testing process, They may be pre-test eigher before an advertisement has been designed and executed, after it is ready for public distribution, or at both points.

During pre-testing, there is often research on three vital questions:

i) Do consumers feel that the advertisement communicates something desirable about the product?

ii) Does the message have an exclusive appeal that differentiates the product from that of the competitors?

iii) Is the advertisement believable?

Although advertisers spend money on pro-testing, they also post-test their promotional campaigns.

There are at least three distinct reasons for measuring advertising results, They are:

i) The need to produce more effective advertisng:

ii) The need to prove to the management that a higher budget will benfit the firm,

iii) The need to determine the level of expenditure that is most promising.

Most research focuses on the communication effect rathe than on the sales effect. The short-term effect of advertising on sales is, no doubt slight and unimportant, whereas, in the long run, its.

effect on brands and companies may be of great importance. For this reason, advertisers are particularly concerned with their impact on consumer awareness and attitudes.

There are many critical and unresolved issues in determining how to test the communication effects of advertsing. Among these are:

a) Exposure conditions: should advertising be tested under realistic conditions (in actual on-the-air commercial) or under more controlled laboratory conditions?

b) Execution: It is often expensive and time-consuming to pre-test a finished advertisement. Does pre-testing a preliminary execution produce accurate and useful data?

c) Quality Vs. Quantity Data: Quantitative date are easiest and most precise measurement. But qualitative data from in-depth intervíwes may provide information that short answer questions never can.

Sales effectiveness measurement:

For those advertising managers who firmly believe that advertising must be evaluated by determining its impact on sales, some measures of sales , some measures of sales response to advertising must be devised. Because of the many influences on sales in addition to that of advertising the total sales of a product from the period in which the advertising was run are not a vaild measure of advertising effectiveness. The only exception is in those rare cases where the management believes that advertising is the sole, least the most important influence,. on sales. However, where advertising objectives are stated in terms of sales, it is desirable to measure the effect of the advertising compaign on sales.

a) Historical sales:

Some insights into the effectiveness of past advertising may be obtained by measuring the relationship between advertising and

product sales over several time periods. For example, a multiple regres analysis of advertising expenditures and sales would show how s... changes have corresponed to changes in advertsing expenditures. This technique estimates the contribution advertising has made to "explaining," in a correlational rather than a causal sense, the variations in sales over the time periods covered in the study. The data required for this appoach are period advertising expenditure, which may be obtained from company budgeting records, and product sales measured by such techniques as store audits, warehouse shipments, or other sales records maintained by a company. Of course, a historical sales analysis is only a post-test measure of advertising, effectiveness, and is not applicable to pre-testing.

b) Experimental control:

To establish more clearly a casual relationship between advertising and sales, it is essential to have experimental contorl, which is considered to be quite expensive when related to other advertising effectiveness measures; yet it is possible to isolate advertising contribution to sales. Moreover, this can be done as a pre-test to aid Advertisisng in choosing between alternative creative designs, media, schedules, expenditure levels, or some combination of these advertising decision areas.

Indirect measures:

To measurement of the direct effecr of advertising on broad company goals, such as increased profits or sales, is so difficult, most firms rely heavily on indirect measures. These measures involve such factors as customer awareness or attitudes, or customore call of advertising messages or protion thereof.

The types of measures commonly used are;

i) Exposure to advertisement:

In case of print media, for example, estimates are made of the readership of individual advertisements by interviewing members

of the audience of the magazine or newspapers in which the advertisement has appeared.

In order to be effective, advertisement must gain exposure The management is concerned about the number of trarget consumers who see or hear the organization's mesages. Without exposure, advertising is doomed to failure.

Marketeers may obtain an idea of the exposure generated by a medium by éxamining its circulation or audience date which reveal the number of print copies sold, the number of persons passing the billboards or riding. in transit facilities, the number of persons in a televiewing or radio-listening area, and the number of persons tuned into various TV and radio stations at various points of time.

The media cross-calssify circulation and audiance data by such variables as the age, occupation, income, and areas of residence of the audience or reader population. As a result of the examination of such data, advertisers can determine the approximate number of traget consumers that are exposed to advertising messages.

ii) Attention or recall of advertising message content:

A widely used measure of advertising results is the recall of the message content among a specified group or groups of prospective customers. Recall is usually measured within 24 hours.

Advertisements can be effective unless they attain the attention of target consumers. One means of testing the attention-getting ability of one or more advertisements is to ask consumers to indicate the extent to which they recongnize or recall each one. Researchers may conduct such inquiries in a laboratory setting Here, consumers read, or listen to the advertisement, and then evalaute it in a pre-test. Another method is to ask consumers to recall after the advertisement has been run.

These measures assume that consumers have attuened to that which they can recognize or recall.

iii) Product or brand awareness:

The marketeers who rely heavily on advertising often appraise its effectiveness by measuring the customer's awareness of a product or brand. This type of measure is subject to much of the same criticism as is applicable to sales measures, that is, the awareness is affected by many factors other than advertising. But, for new protucts, changes in awarenes can often be attributed to the influence of advertising.

vi) Comprehension:

Consumers utilize advertisements as a means of obtaining information. They cannot be informed, however, unless they comprehend the message. Various tests of comprehension are available.

Marketeers use recall tests as indicators of comprehension. The implication is that consumers recall what they comprehend. Another measure of this varable is to ask subjects, how much they comprehend a message they have recently heard or viewed One may employ a somewhat imprecise test of the comprehension of a newspaper and radio advertisement. One may, from time to time, ask individuals he considers to be typical target consumers such questions as "what did you thing of my new commercial?" and, "Did it get the message across?" The answers to such questions provide valuable insights in to advertising decision making.

v) Attitude change:

Since advertising is usually intended to influence the state of the mind of the audience toward a product, service, or organization, the results are frequently measured in terms. or expressed attitudes among groups exposed to advertising communication. Various types of attitude measures are used, ranging from questions about willingness

to buy or the likelihood of buying, to the measurement of the extent to which specific attributes are associated with a product.

An assessment of attitude change calls for the measurement of attitudes toward the product or organisation in question, both before and after the appearance of the advetisement.

vi) Action:

Finally, an important advertising objective is to stimulate action or behaviour. The intention-to-buy measuring instruments can provide measures of proposed actions. These instruments include sucpoints as the following regarding the product under consideration

a) I already own it.

b) I hope to buy it within the next year or sooner.

c) I will probably buy it some time in the future.

d) I have on idea whether I shall even buy it.

e) I am sure I will never buy it.

An analysis of these reponses yields measures of consume buying intentions and are indicative of expected future purchasing activitied.

One type of action that advertisers attempt to induce is buying behaviour. The assumption is that if an increase in sales follows a decrease in advertising expenditure, the changes in slaes levels are good indicators of the effectiveness of advertising Logic suggests that measurements of sales are preferable to other measurements.

B) Essentials of effective advertising programme:

The creative part of advertising involves the process of selectin appeals and preseNting them. This is sometimes referred to as the "art" o advertising. Message development may be defined as 'said' is said, how i is said, where it is said, and how often it is said". There seems to be little doubt that the creative element in advertising may make of break a promotional campaign. The quality of advertising a far more important in determining its success than the amount of rupees spent.

The conventional wisdom of advertising theory includes the concept of AIDA-Attention, Interest, Desire and Action. Many advertisers believe that their messages must attract the attention and interest of receivers if buying is to result. Consumers may not know that a product exists, or may not feel that they have any need for it. Advertising tries to persuade these consumers that they need the product. It communicates one or more product attributes to consumers. If the product attributes have a strong impact on consumer buying then the advertising will probably lead to more purchases. This is why advertisiers take great interest in the product attributes which have the most significance in consumer buying patterens.

Factors to be considered for effective advertising programme:

1. ***Designing the creative approach:***

Effective advertisements are not necessarily those that executives and customers like or consider to be good. Unfortunately, designing creative approaches is far more difficult than it appears. It is necessary to formulate a creative strategy and then determine the best way of executing it. In addition, legal restrictions must be observed. The creative strategy specifies what advertisements should accomplish. The general nature of the creative strategy should be indentified in the communication task component of the advertising objective. Thus

creative strategy will identify those elemens of the marketing programme that differ from those of the competitors and are meaningful to customers in the target market segement

The creative side of advertising involves the actual preparation of advertisements. This task involves.

a) The decison on how to appeal to the buyer;

b) The determination of the specific headlines and illustrations to be used; and

c) The written copy which will accomplish best the objectives.

2) Designing individual advertisements:

Various individuals are involved in designing advertisements. The designers may be employees of advertiser, the advertising agancey, or the media. Basically, the design task involves;

i) Selecting the themes and appeals;

ii) Translating the themes and appeals into lay out and copy.

electing themes and appeals:

The theme of a message should be the logical outcome of decisions on market positioning, product concept, and other marketing objectives. Most creative people work inductively by building advertising ideas on the input from consumers and dealers. The themes change as market conditions change. As one of the most powerful influences on the success or failure of advertising, decisions on positioning must be made before an advertisement is created.

The theme should be sound and effective psychologically, tied to the needs and wants of buyers and to the advertiser's product as the answer. Effective themes are true, believable and convincing; their meaning is comprehended quickly and easily. The theme should be unique for products which are totally new in type.

3. Slogan:

There are two types of slogans. The short-range type **condenses the theme and crystallises it; indeed,** this slogan may be campaign's **theme. This type of slogan disappears** when the compaign ends Long-range **slogans can stay on indefinitely** as one of the manufacturer's promotional **items. Both types of slogans are will** furned **phrases** or **sentences intended to be repeated varbatim. The advertiser** expects them to be **remembered favourably** by **the consumers. But** no matter how apt the **wording, slogans seldom attain popularity overnight.** All of them must have **promotion** to **become established and stay alive.** No **slogan,** regardless of **how souldly pharased, is good enough** to **insure advertising** success. A product like **cigarettes can make more or better use** of a slogan than of a car. The **broadcast media are more appropriate** to the transmission of **slogans** than **the other media. All slogans fix** firmly in the buyer's **mind one clear important idea favourable to the product** or to its advertiser. **Slogans need to be simple, clear, obvious, catchy** and colourful. They **should** be **built on a big sales idea, on self-interest,** on a buyer-benefit **because their substasnce is more impotyant than** their style, Brief **slogans are preferred; a four-word slogan is excellent.** But the number of words in a **slogan should not generally exceed seven.**

The slogan should be unlike that of the **competitor. It should identify the type of product** involved and the promise a **buye-benefit; and it should include the brand name,** Slogans which **imitate other slogans cannot be defended.**

4. Headlines:

Marketeers employ headines primarily to gain attention **and interest. The headline, "Don't be fuelish". use a** misspelling **of a widely used words as a play on** words to **accomoplish its** ends. **Some headlines promise benefints; Promises of reward capture attention may intiate action, and induce** consumers **to read** more of **the** copy. The other **functions** of headlines are to **arouse** curiosity **and**

to provide newsworthy announcements. These can attain the same ends as promising rewards. There may be something like a news-paper headline;- "why bother to read?"- to arouse curiosity. Finally, the marketeer may use headlines in order to appeal only to those consumers who seek particular benefits. Such headlines select particular target consumers, who are likely to be interested in the product or service.

5. Subheads:

Marketeers use subheads for three purposes:

i) To gain attention and interest;

ii) To organize the copy into logically related cegments (thus aiding comprehension); and

iii) To direct the interest of the consumer to important points.

Some advertisements do not have subheads because they do not contain many words

Text:

The text is the written or spoken part of the advertisement that appears below the headlines and subheads. This is the heart of the message. The text aids in achieving attention, comprehension, attitude change, and behaviour. A good text is based upon advertising objectives. It is well organised and flows smoothly. Two especially important parts are the lead paragraph, which paves the way for the remainder of the copy, and the closing paragraphs, which call for action. The text should not be too long and should be believable, interesting, and readable. It should not be too short. The text then, should be long enough to accomplish its mission, but not so long as to discourage reading, listening or viewing. Sometime the text includes slogans. Slogans add interest and memory value to advertisements.

6. *Illustrations* :

These consist of photography, drawings, graphs, charts paintings, and other pictorial devices. Marketeers may use illustrations to gain attention, comprehension, attitude change and behaviour change. Illustrations, then, are of major value in conveying the theme. Drawings, photos cartoons with headlines attract the attention of prospects. They can tell a story, make a point quickly and clearly or prove a claim. "Before and after" photographs are an example of this.

7. *Copy* :

The most important element in an advertisement's copy, messages the promise, is often expressed in the headline. The major jobs of headlines are to make contact with and attract the attention of the seller, prospects also a function of the advertisement's illustrations-and to induce prospects to read the advertisement. Most strong headlines have either a news content or a buyer-benefit-self interest content. Body copy is much like a sales person's presentation in that it should expand and explain the promise on which the advertisements is built. It should be built on a strong, persuasive sales idea. Product facts, product satisfaction, and product price are the main ingredients.

8. *Layout* :

The layout of an advertisement consists of its overall stucture, or the way in which the various elements are positioned with regard to one another.

SALES MANAGEMENT

Prior to the advent of the industral Revolution selling was an easy task, since there was limited production that was not produced for the masses but 'made to order; But today in a world of mass production and cut-throat competition, sales has grown into a massive organisation that requires the application of the finest management skills in order to stay at the top and in order to survive expand and grow.

Infact, it can be said that business plans and systems, policies and procedures used to them should be implemented not only towards satisfying the customers, needs and desires but also towards securing profitable sales volume.

For, sales reinforces confidence of management in their policies, workers in their craft, skill and excellence, shareholders in their shares and customers in its acceptability, popularity and quality, Sales is the most relevant measure that tells us about the state of affairs of a company and its growth and orientation towards people

The American Marketing Association has defined Sales Management as "the planning direction and contorl of personal selling, inculding recruiting, selecting, equipping, assiging, routing, supervising paying and motivating, as these tasks apply to the personal sales force".

The objectives of sales management:

From the various definitions, it can be seen that sales management has three basic objectives on which it should give emphasis in order to sell effectively. These three objectives are:

1. Achieving sufficient sales volume.

2. providing ample contribution to profits.

3. Experiencing continuing growth.

1. Achieving sufficient sales volume:

A wise top management team would give first preference to selling out its sales budget or its sales forecast so that it would have before the sales a sure target to which they could orient their efforts and their energy. Once the objectives have been placed and other sub-objects have been formulated, then the company could move on an optimistic note to achieve its target without any difficulty. Faulty and inept planning are the two obstacles that could retard progress and also act as a liability.

2. Providing ample contribution to profits:

The biggest item on the statement of accounts of any company obviously has to be its sales since on this hinges, its profits and, therefore slaes. Management aims at miximising so that it would continue to occupy its pre-eminent position to being the No. one figure so that it could offeset the various expenses and leave a large surplus that will represent the profits of the company.

3. Experiencing continuous growth:

Growth is the characteristic of all living things and a company if it wants to be alive and before from being attacked illness, then it must continue to grow and there should be no limit. The 'Limits to Growth' theory is narrow and simply native and ridiculous, since it has, during, the years, come to the stage of being rejected by one and all. Hence, it is sales that ensures the growth of the highest order so that the company can experience continuity of growth.

Sales management co-ordination with other activities;

The Co-ordination with other activities may be studied in relation with product, printing, physical distribution and promotion.

Relations with product management:-

No sales department ignore its relations with other marketing activities, although it is directly concerned only with the sales force management. To achieve effective performane, the sales department have close contacts with product management executives and the products are periodically reviewed and decisions are taken on whether each should be retained, changed or improved or dropped altogether. Sometimes decisions are made to introduce new products with a view to capturing the untapped markets. These decisions are effective only when sales department provides adequate information on the marketing position of the products that are in the line. Although product decisions are taken jointly by marketing, production research and development and financial executives, the guidelines issued by the sales executives are of primary importance. The continous contract of sales executives with product management provides feed back on the acceptability of the product in the market where cut throat competition is likely to affect sales of certain products that are in the line. A close co-ordination of sales department with production executives are, therefore, essential.

Relations with pricing management:

Generally, decisions on pricing policy are made in consultation with the top sales executive because they have clear-cut-ideas of the price that buyers are willing to pay. They can speak on pricing policy with full authority because the sales department always comes in close contact with different customers. No pricing policy should be a result of compromises among the members of different departments; it should be the result of co-operative action. Once the pricing policy has been determined, its implementation should be left

to the top executive who is in far better position to administer it, for it is in close and continuing contact with dealers and distributors. The implementation of the price policy can be successfully achieved, provided that this responsibility is assigned to a single line authority, viz, the top sales executive.

Relations with physical distribution management :

It is worth mentioning here that size and organisational activities of the sales department are determined by the company's distribution policies. The marketing channel determines the pattern of the sales-force operations, both geographically and customer-wise Along with this, the number of outlets that handle the product each distribution level affects the size and scope of manufacturer's sales organisation. The distribution through its policies, control the size and nature of the activities of the sales department. Sales management, play a key role in supplying the information required by the distribution management.

Relations with promotional management :

Sales management play a dominant role in the formulation of promotional policies, because they have better knowledge of the market and better control over personal selling activities. Infact, the top sales executive occupies a highly strategic position in the implementation of promotional activities.

It is true the sales department, controlled by sales executive implements the promotional policies; but it should be noted that personal selling, when adopted as a promotional method, is very expensive one. The top sales executive should keep the selling cost to the minimum by putting a limit on the promotional mix. Apart from these, the top sales executive, should co-ordinate his efforts with those of his sales personnel, with the object of ensuring minimum promotional results, because they are the main source of his information about customers, their needs, behaviour and motives.

Industrial Selling :

In the industrial market, both products and services are transacted. The product may be plant, equipment, material, operating supplies etc., The plant includes a factory, a mill or a ware-house. The equipment may be heavy or a Light. The heavy equipment includes a loom or a press or a lathe; and light equipment includes type-writers, tools and scales. Material may be raw, processed, and fabricating Raw materials may be flour, steel, and brick; and fabricating materials include batteries, buttons, and packages etc., The operating supplies include fuel, statioery, soap, etc., The services include banking, advertising transportation, insurance, and alike.

Industrial products may differ from consumer products more in their use and in their buying procedures. Some products like tires, batteries and even automobiles are bought by industry as well as by ultimate consumers.

Types of industrial buyers :

Buyers of industrial products and services are of three types. They are business firms, institutions and government units.

Business firms include manufacturers, public utilities processors, and sellers of services.

Institutions include hotels, hospitals, churches schools and alike

Government buying is found at the local, state and federal levels.

Selling sequence :

The first step towards an industrial selling is the knowing the needs of buyers. A buyer may be in the need of replacing absolute machinery. Many feel to buy products and service to expand his/her factory.

TRAINING, MOTIVATION AND COMPENSATING SALES FORCE

Training sales force:

Having selected the salesmen, two options are available to marketing management to deal with them. One is to ask them to jump head-on the selling job and learn by experience and trial and error the difficult lessons in effective selling. The other is to train them so that the process of learning by experience is accelerated and experience only reinforces what is learnt. Undoubtedly, experience is one factor which every salesman has to encounter and accumulate whether training or no training. But learning by only trial and error, which is what learning by experience involves, is very expensive for the company and frustrating for salesman. Training, on the other hand, which is in fact a programmed learning in which accumulated experience is shared by veterans, has a number of pay-offs both for the company and the salesmen.

Advantages of training :

1. *Minimum salemen turnover* : "The sales force turnover rate for new sales personnel nearly always is higher than for experienced people, often inexperienced staff members find themselves unprepared to do satisfactory jobs, become discouraged, and leave the company." Salesmen's training reduces this type of turnover to the minimum and the knowledge, skill, and information gained during the training prove of immense help in successfully selling products in the initial attempts. Once the initial barrier to success is broken, salesmen gain the selfconfidence necessary to stay on the job. Training, therefore, contains the salesmen's turnover.

2. *Improved customers relations* : Training introduces salesmen to the marketing concept and infuses in them the concern for

The job of the industrial salesman :

The job of the industrial salesman difîfers in serveral respect from that of most other salesman, particularly those who sell merchandise to middlemen for resale and those who sell to ultimate consumers. It is common for a manufacturer of industrial products to have fewer salesmen on his sales force. The performance of each one is more significant and he makes fewer calls per month, becauses he usually must see several persons in each company.

One survey shows, how industrial salesmen spend their working hours reported these figures; 4% in face-to-face selling; 32% in travelling and waiting; 19% in handling reports and other paper work and in attending sales meeting; and 8% in making service calls.

The first and major duty of the industrial salesman is to bring in orders so that his firm's production can be kept going. He gets orders by being able to answer the universal quesations of purchasing agents.

The salesman must be a competent, honest consultant to purchasing agents. He is required to have a great store of technical information about.

(a) his own product of service.

(b) the requiremetn of buyers.

Job requirement :

Industrial selling can be done only by a technically competent person. This person may have taken a business adminstration course and then added whatever techincal speciality be needed, or he may have studied engineering and added marketing.

The industrial salesman needs an intelligent and inquiring mind. He must always be curious as to how he, his product, and

his company can help each buyer to do a better job. And this cur must be teamed with patience, persistence and determination because some salesmen find themselves; making 75 percent of their "first" sales only after five or more calls.

Consumer selling :

Consumer selling means, selling the goods and services directly to ultimate consumers. This type of consumers purchase goods for their own consumption and not for resale. Normally the quantity purchased by them varies according to their needs and also in small quantities.

The phase of selling of how to be considered takes place at one of the most decisive stages in all marketing. This is the state where a consumer and a sales person face each other across the counter in a retails store. The selling that takes place in that meeting is the art of all retailing. Some of the consumer selling is otherwise called as retail selling or selling in retail stores.

The job of consumer selling :

Consumer selling breaks down into several standard steps. The consumer is approached and greeted. The sales persons learns what the consumer needs or wants. Suitable merchandise is selected from stock and then it is shown, described, and explained to the consumer and consumer benefits are stressed. After handling objections, the salesmean closes the sale.

Duties of the sales person :

The duties of the sales person is a store can be grouped into four:

The first and foremost is the duty to sell. Satisfactory performance here rests on the salesman's knowing of how to sell those products to those buyers.

The second group of duties may be called service duties. It includes merchandise instruction needed by the buyer. When some products are to be serviced' the owner may prefer to use his contact with the salesperson from whom he purchased the items In doing this the owner hopes to get better treatment.

The third classification is made up of routine, nonselling duties Sales people may be asked to work in the stock rooms, checking merchandise in and marking prices at it. They may be asked to set their departments open and ready for the day's business, and the to get the departments down for the night.

Finally, the sales staff has certain duties to the store. Typical would be the obligation not to be excessively absent or late. Then there is the duty to think and to plan in order to make a maximum contribution to the store's profitable operation.

Distinctive features:

Although, the fundamentals of selling are universal, the job of selling to consumers differs from selling. Selling has several aspects. The consumer salesman handles many products, then the typical industrial selling. He does his selling. In an atmosphere of noise, bustle, and time, pressure, and interruptions. Finally, the salesman, unlike industrial salesman does not have the wide range of choice and decisions with regared to when, where, how and to whom he will sell.

Sale personality :

Retail employers and consumers expect sales people to execrise good manners. Practically all the research studies made in the field of the coustomer-sales person relation point out the universal and imperative demand for courtesy. A pleasant, friendly, smiling sales person is the type that delights the buyers buyers.

Customer in retail stores prefer sales-people who take a renuine, understanding and interest in them. They expect sales-people

to have competence in their analysis and recommendation about the product or service. This competence rests on the correct diagnosing of customer wants and then properly prescribing for them.

The sales forces in retail stores do not have much of a prospecting job to do; their stores do the job for them. Advertising is one of the forces used by stores to attract buyers. The stores windows issue another indication. Inside some stores are customer services or facilities such as telephones, post office and lounges; these bring individuals into the store, and some of those individuals become shoppers and customers. A few stores that can be termed as prestige stores are found in most large markets: they are so widely and favourably known that they pull buyers in, because of their reputation.

As for as competition is concerned, sales persons in stores need most of all to know what competing stores are offering. Some retailers help supply this necessary information. Sales person themselves should read the advertisements of competing stores and if, practicable, visit those stores every now and then, in order to know what is going on in the competitive market and set right the thing in such a way to make his product or service a better one in the market.

TRAINING, MOTIVATION AND COMPENSATING SALES FORCE

Training sales force:

Having selected the salesmen, two options are available to marketing management to deal with them. One is to ask them to jump head-on the selling job and learn by experience and trial and error the difficult lessons in effective selling. The other is to train them so that the process of learning by experience is accelerated and experience only reinforces what is learnt. Undoubtedly, experience is one factor which every salesman has to encounter and accumulate whether training or no training. But learning by only trial and error, which is what learning by experience involves, is very expensive for the company and frustrating for salesman. Training, on the other hand, which is in fact a programmed learning in which accumulated experience is shared by veterans, has a number of pay-offs both for the company and the salesmen.

Advantages of training :

1. *Minimum salemen turnover* : "The sales force turnover rate for new sales personnel nearly always is higher than for experienced people, often inexperienced staff members find themselves unprepared to do satisfactory jobs, become discouraged, and leave the company." Salesmen's training reduces this type of turnover to the minimum and the knowledge, skill, and information gained during the training prove of immense help in successfully selling products in the initial attempts. Once the initial barrier to success is broken, salesmen gain the selfconfidence necessary to stay on the job. Training, therefore, contains the salesmen's turnover.

2. *Improved customers relations* : Training introduces salesmen to the marketing concept and infuses in them the concern for

consumer satisfaction. As a result, they attempt to understand consumer problems, develop their solutions and feed back relevant in formation to manageme for strategy modifications. Customer complaints are reduced brand loyalty is increased, and the level of consumer satisfaction is enhanced on account of trained salesmen.

3. *Selling becomes less expensive* . Training increases the efficiency of salesmen which is reflected in the rising sales volume and declining ratio of sales / expenses. The ratio declines because sales rise faster than expenses. Thus, selling becomes relatively less expensive on account of training.

4. *Better understanding of the company* : Training imparts better understanding of the company's past history, policies and procedures. This understanding helps salesmen in effectively dealing with customers and other company personnl.

5. *Salesmen's behaviour controllable* . Training imparted to sales men better understanding of company's expectations of them in terms of behaviour and performance thereby enabling them to conform to them. This renders them amenable to supervision and control by management in a far better way. It also makes control more effective.

6. *Improved sales performance* : Above all, training considerably improves the salesmen's sales performance both in terms of sales volume and its profitability. This may be attributed to better and improved understanding of the market forces and company policies, product knowledge, and equipment in selling techniques which enable them to effectively handle customers and deal with selling situations.

Contents of training programmes :

The contents of training programme refers to the subject matter of the training exercise which the trainee-salesmen are expected to

learn. These contents are always conditioned by the demands made by the job on trainees. Although these contents vary from company to company on account of differences in products, markets, company policies, organisational size and trainees, ability, experience and gap between existing and expected personality attributes, etc., The following contents are, nevertheless, usually relevant to any training programme aimed at salesmen:

1. *Product* :

The knowledge about company's product, its uses and applications, and strengths and weaknesses relative to competing products is an important component of the training content. It is more so where the product is complex and involves sophisticated technology. The knowledge about infuses self-confidence which enables salesmen to effectively demonstrate and deal with customer questions and objections satisfactorily.

2. *Market* :

Training programme also imparts knowledge about the company's markets so as to develop an understanding amongst the salesmen about the consumer's demographic profile and their behaviour and socio-economic and psychological factors influencing it. The consumer research findings are communicated during the training course so as to enable salesmen to effectively handle consumer during the selling sessions

3. *Company* :

The content of the training programme also includes information about the company's past history, its marketing policies and strategies, and policies in areas such as personnel and purchasing. It also includes information about various procedures relating or order processing, sales accounting, salary and commission, computation and payment, travelling and daily allowances, etc., All this helps salesmen

in equipping themselves with company information which not only enables them to identify themselves with it but also properly project its image and follow policies in the field operation.

4. Selling techniques :

Salesman without previous selling experience may be instructed in various selling techniques mastered by sales supervisors during their selling careers. The sharing of selling experiences and highlighting of different techniques by veterans enable trainee-salesmen to properly equip themselves with these so as to effectively deal with customers and difficult selling situations.

Training methods :

For imparting training to salesmen a variety of training methods are available to companies ranging from simple lecturing to complex sensitivity training. These may be adopted as per the needs and the resource constraints faced by a company. Broadly, these methods may be divided into two, namely (i0 group training and (ii) individual training.

Group training methods :

Group training implies imparting instruction to a group of salesmen. It may be both trainee-active and trainee-passive. In the former, the trainee-salesmen actively participate in the learning process whereas in the latter, the salesmen only listen to or watch the message transmission loaded with the desired content. These methods may include the following:

1. *Lecture method :* It is a trainee-passive method of group instruction wherein a lecturer speaks to trainee - salesmen about the course-content sometimes with the help of audio-visual aids. It is a time-honoured method of group instruction wherein the lecturer conveys a large mass of information within a relatively short time. How-

ever it is a teacher-dominant method which inhibits trainee's active participation in the learning process. Lecturing as a method or training is the best in the fresh Initial training programmes particularly when it is coupled with other methods.

2. Discussion: In contrast to the lecture method, discussion is a trainee active group training method wherein trainee salesmen actively participates in the learning process by discussing certain buying-selling situations and analysing them to develop understanding. After a brief introduction by the instructor, the discussion is initiated by him which may be based on case studies also. Active participation of trainees in the learning process develops their analytical faculties and help them think logically.

3. Role playing: Role playing as a method of training require trainee-salesmen to act out parts/roles in a contrived problem situation, say, selling to a simulated prospective customer wherein the trainees assume the roles of customer, salesman and other characters, with the instructor giving props as and when desired. Having played the roles, each trainee evaluates his own and other' role performance and discusses their strengths and weaknesses. This method is particularly relevant while imparting training techniques.

4. Sensitivity training : Sensitivity training is one of the newest methods of salesmen's training and is aimed at making them sensitive to their environment and customer's behaviour. It also involves playing a role and interacting with other members of the group so as to increase the ability of the trainees to listen to and understand the customer. Having played the role, trainees analyse their-respective roles with reference to motives,actions, reaction and other remarks so as to find out what is behind other's the behaviour and how he should adjust to it.

Individual training methods: Individual training methods are ! in which training is impartes to trainee-salesmen on an individual level. It is personalised and involves direct interaction between the trainer and the trainee. These methods are particularly suitable where the size of the sales force is small and the need for individual attention is more. Some of these methods include.

1. On-the-training: In this method, the trainee-salesman is imparted instructions while on the job of selling. It combines both the accumulation of experience and instructions by a coach. In the beginning, the trainee-salesman accompanies his coach, who is salesman/sales supervisor on the sales calls and observes the latter's performance. After a couple of such calls, the trainee takes over from the coach and does his own selling under the observation and supervision of the coach. After having made the day's calls, both review the performance and the coach suggests some changes in the method and approach, if any. This process continues till the salesman develops self-confidence and the coach is satisfied about the level of training. The success of this method, however, largely depends on the quality of the coach.

2. *Programmed instruction :* Programmed instruction is a liner programme of instruction in which the subject matter of training is broken down into numbered instructional units called 'frames' explaining specific points, questions, problems and solutions. Trainees learn these insturstuction ' frames' answer questions and check them up with given answers. If the answers are correct, trainees go ahead and if otherwise, they repeat the lesson. This method or training is more relevant in imparting product knowledge but not in appraising selling techniques.

However, for a training programme to be effective, each company should develop a tailor-made mix of methods because no one method is the best for all training needs.

Evaluation of training ;

Having trained the salesmen, marketing management should evaluate the effectivenees of the training sessions and the overall impact of the training programme on the salesmen's performance. The effectiveness of training sessions may be evaluated by the trainee-salesman soon after the sessions are over. The overall impact of the programme, on the other hand, may be evaluated by comparing salesmen's performance in terms of sales volume, sales profitability, order-size, expenses, etc., between pre-and post-training periods. However, when salesmen are new recruits such comparisons may not be possible. In such a case therefore, judgement may be formed on the basis of absolute total performance.

Motivating sales force :

Meaning :

With reference to salesmen, motivation means stimulus to achieve goals set out for them by the management. Compensation as a reward for the services rendered by sales force to a company serves as a financial incentive. It motivates them to give out their best to the company. Compensation undoubtedly provides a strong stimuli to salesmen to vibrate, i.e. to work harder, because largely all physiological needs of salemen are served by the money which they get out of the financial rewards. It is precisely to motivate salesmen that composition and methods of compensation are varied to suit their specific needs. Both managerial experinces and studies have shown that these financial rewards go a long way in motivating alsement to give out their best to the company. It is particularly relevant to India and other developing countries where even physiological needs are not fully satisfied in a number of cases.

Need :

However, money alone does not ensure consistent motivation to salesmen beyond the point where physiological needs are satisfied. Both managerial experience and studies have also bestalished this phenomenon.

A salesman who is not earning enough money to meet his and his family's basic requirements of food, clothing and shelter is not likely to be much concerned about other needs in the hierarchy so long as these remain unsatisfied. But once the physiological and security needs are satisfied, the belongingness, esteem and status, and self-actualisation needs become prepotent and emerge more or less in a sequential order. Money, thus, ceases to be much relevant and loses much of its motivational force. Maslow's theory serves as an important guidepost for management to devise ways and means of motivating salesmen through non-financial incentives. Management can position sales force members along the need continium and study each person's location in the hierarchy. "Satisfaction can thus be customized to help each one to fulfill his unmet needs, and incentives can be personalized."

Methods of motivation-non-financial incentives :

Some of the important non-financial incentives which may be used by a company to motivate its salesmen include the following.

1. *Realistic goals* : The first and foremost medium of motivation is to offer achievement goals to salesmen which are realisitic.

Realistic goals are those which do not match closely to attainable levels and are little less than the capability of each salesman. Here capability means current ability coupled with capaciety for growth. When job requirements are smaller than capability, salesmen becomes easy going, his work habits deteriorate and extraneous interests begin

to take over. When job requirements are bigger than capability, sales-men gradually exhausts himself both emotionally and physically and gets himself into a quagmire of depression. But when goals are realistic, salesmen operate at the normal level and look forward to fulfilling them.

2. *Communications* : Two-way flow of ideas, facs, action courses and feelings go a long way in building the bridges of good will and understanding so essential for high morale and work enthusiasum "An improved system of communication will create within the salesmen an increased commitment to attain their job goals and provide them an opportunity to express their discomfort on inconsistencies between organisational demands and their personal values". The communication may be written or verbal. However, verbal communication should be breferred because it establishes a kind of personal support between the salesmen abd management, which generates and channelises salemen's energy and enthusiasm in favour of the company.

3. *Conventions and meetings* : In conventions and meetings organised by management salesman interact with their peers about work situations and problems and arrive at a consensus of opinion on issues which impinge on their work. These are important inspirational and motivational tools whose broad purposes are to; (i) exchanged informational with salesman, (ii) strengthen employee's identity with the company, its leaders and peers, (iii) Kindle a competitive spirit, (iv) provide specialised training, and (v) provide salesmen with a change of pace.

All kinds of communications whether at the individual level or at conventions and meetings are akin to the privilege pay. Privilege pay is the freedom which a manager grants to his subordinates to interact with him and also interse. Salesmen consider it as a

genuine privilege to participate in the communication exercise aimed at influencing management thinking and decision-making.

4. *Contests:* A sales contest is a special selling event during which salesmen are offered financial and non-financial incentives beyond that of compensation when they reach certain specified levels of productivity or achieve certain goals. Although the basis objective of sales contests motivate the sales force to produce increased and profitable sales volume, there may be many secondary objectives also. Sales contests is to provide a mechanism for developing team spirit among salesmen who are generally 'loners' and cut of from one another. These assist in boosting their morale and counter the tendencies of 'apathy, boredom and depression Contests stimulate salesmen to vibrate so as to excel their usual performance and direct sales efforts towards the accomplishment of important and pre-determined tasks, The success at the contests may attract rewards in the form of cash, gifts of travel, ect., However, to be effective, management should see that constests do not become habit-forming and expected norms of compensation. An element of surprise is essential.

5. ***Recognition and honour*** : Although conventions, meetings and contests have positive carry-over effects, these, are short-lived methods of motivating salesmen. In contrast, recognition of and honour endowment on salesmen's accomplishments are more enduring and relatively economic methods of motivating salesman. Some of the ways to extend recognition and honour to salesmen include endowment of title such as salesman of the month\year' trophies, congratulatory telegrams from members of the top management, offering membership of social clubs, mention in houe journals, certificates, etc. Recongnition and honour satisfy salesmen's need for self-esteem and self-respect and achivement by bolstering their ego. These are like 'status pay'-a public acknowledgement to the value that management places upon an individual similar to

Likert's principle of 'supportive relationship'. According to Likert's "more often a manager's behaviour toward his employee is ego-building rather than ego-deflating, the more success the manager will have in positively influencing their performance".

6. ***Autonomy*** : According to Likert, lack of enough discretion has a negative impact on employee's job satifaction. Therefore, in order to motivate salesmen it is necessary that they must be given a reasonable measure of autonomy and discretion in performing their job. This may be accomplished by permitting salesmen to develop their own call patterns,reduce or eliminate call reports, and by giving salesmen more control over the types of promotional packages that are offered to their customers. Autonomy satisfies the psychological needs and is akin to 'power pay (which is a rewrd), making the salesmen's job more important in the organisation.

7. ***Promotion*** : Although some salesmen develop vested interests in their position on account of financial considerations, there are others who aspire to rise in the organisationsl hierarchy. Therefore, management should motivate them by opening promotion avenues and offering opportunities to grow. The feeling that salesmen have no scope for future advancement was quite predominant in a group of medical representatives studied by a research team, and contributed significantly to the measure of job satisfaction. The company should, therefore, not only promote salesmen but should also provide them management-oriented training which gives them a feeling of preparation for future higher responsibilities.

Segmentation approach to motivation :

In order to augment the effectiveness of the above methods of motivation, companies should exploit the segmentation approach

used in respect of its target markets. The needs of company sales vary in a given time span both in nature and intensity. If these needs are properly indentified, salesmen are grouped and segmented on the basis of needs, and are offered tailored doses of incentives, the possibilities are that they will favourably respond to them. "The underlying value of this motivating method is that is provides a system by which the typical career salesmen can grow in status, financial remuneration, and level of communication. It gives him a career growth pattern similar to that developed for others in the corporate environment. From the manager's viewpoint sales force segmentation can provide a key to enabling the salesmen to improve his performance and be recognised for it in a number of ways. This, in turn, should improve management objective-increased sales and customer service productivity."

Compensating sales force :

Meaning :

Where recruiting salesmen, a company has, also to formulate salesmen's compensation plan. Salesmen's compensation means monetary reward given by a company to its salesmen in consideration of the services rendered by them. It generally includes contractual payments but may also include non-contractual and ader hoe payments'.

Importance :

Since every compensation plan in respect of salesmen attempts to reward them for their services to a company, it serves as an important vehicle for inducing them to continue to serve it. It not only keeps sales men of the company rolls but also motivates them to contribute to the growth of company and thereby get grown individually. Besides, compensation is an important managerial tool to control and direct sales force to attain the sales objectives. It also influences custo-

mer relations and goodwill. A poorly developed or administered compensation plan may invite unions to organise sales force as happened in some of the pharmacutical companies in India. Therefore, in the management of sales force, the compensation plan plays a very important role, and "a sales force cannot be considered soundly managed unless there is a well-developed and well-adminstered compensation plan.

Objectives :

A company may seek to achieve the following broad and interrelated objectives through its compensation plan :

1. It may attempt to correlate the efforts, results, and rewards of salesmen by rewarding them in proportion to the results that their efforts produce.
2. It may attempt to use its compensation plan to control salesmen by relating rewards to various components of their operations thereby reducing the need for direct supervision.
3. As a corollary, it may strive to ensure better treatment of its customers by so devising its compensation plan that salesmen value customer opinion and satisfaction.
4. It may attempt to build, develop and stabilise its sales force through its compensation plan which attracts them to the company and make them stay grow with it.

Requirements of a good compensation plan :

In order to make a compensation plan relevant to the company needs and to achieve the objectives enumerated above, the following are some of the basic requirements of a good compensation plan;

1. It should be simple to understand by salesmen so that they may e make out their total compensation for a given period.

2. It should be fair to both the salesmen and the company. Fairness from the standpoint of salesmen means, within the limits of seniority, reward is positively correlated with the effort that salesmen put in, while from the company's standpoint, no idlers are unduly rewarded.

3. It should ensure a living wage to salemen so as to honourably subsist and sustain.

4. It should also be flexible enough to provide scope for adjustment of compensation relative to change in salesmen's performance without robbing it of stability.

5. It should be easy and economical to administer so that the cost of its administration does not become prohibitive.

6. It should really prove to be an instrument of attaining objectives of sales and compensation plan.

Not only that the number of requirements enumerated above may go up but also it may vary from company to company in terms of their relative importance. Also, it is really difficult to develop a plan with all these requirements finding full play. Therefore, in real life situation usually a company has to develop an optimum mix of these requirements so as to develop a viable compensation plan.

Developing a compensation plan :

The following steps are involved in developing an appropriate compensation plan for a company.

1. *Determine job description* : The first step in developing a compensation plan is to define the salesmen's job and develop an appropriate job description so that compensation is related to the efforts put in.

2. *Job evaluation* : The next step is to evaluate the salesmen's job and relate the evaluation to other jobs in the company so as to develop a relative profile of jobs and their components. This helps in relating compensation to the salesman's educational qualifications, experience and personality attributes uniformly through out the company.

3. *Determine industry structure* : Salesmen of a company usually refer their rewards to the rewards of other companies. The management of a company should, therefore, develop an understanding of industry's pay practices so that no serious difference creeps in the compensation plans of the company and other peers in the industry leading either to exodus or development if idlers.

4. *Determine compensation level* ; Compensation level refers to that amount which on an average every salesmen should reasonably earn.

5. *Determine various components of compensation* : Compensation components refer to those parts of the total pay packet to which a salesman is entitled and include amounts which may be fixed and/or variable and other benefits.

6. *Identify and consider special company needs* : The seneeds may be served through compensation plan as for example, overcoming small order problem, pushing slow moving items, encouraging sales promotion, etc.

7. ***Determine compensation methods (s)*** ; These may include straight commissioh, combination of the two, and the incentive plans.

8. ***Plan testing*** : Test the plan on a simple of salesmen, gather data and reactions, analyse them, weigh them against objectives and revise the plan, if needed.

6) ***Plan installation*** : Install the plan and establish a follow-up machinery to receive the feedback.

From amongst the above steps, three steps deserve particular attention and elaboration, namely, compensation level, components, and methods.

Compensation level ;

Determining the compensation level is important both to the salesmen and the company. To salesmen, it indicates the average earnings that they may reasonably expect by serving the company, whereas to the management it indicates that cost of sales which may be attributed to the salesmen.

Factors governing level : Compensation level may be determined by inter personal bargaining or may be based on arbitrary judgement reinforced by experience. It may also be determined by assigning monetary values to each component of the salesman's task in terms of man-hours either by one executive or consensus among executives. Nevertheless, the following factors should always be considered while determining the level of compensation.

1) ***Quality of Salesmen*** : The compensation level should be commensurate with the quality of salesmen in terms of education, experience and other personality attributes.

2) ***Level of advertising*** : Higher the level of advertising, lower should be the level of compensation.

3) ***Intensity of training*** : Higher the cost of training, lower the level of compensation.

4) ***Bargaining strength*** : Greater the bargaining strength of salesmen, higher will be the compensation level.

5) ***Company's financial strength*** : Greater the strength, higher the compensation level.

6) ***Method of compensation*** : Incentive method attracts higher level than straight salary.

Compensation components :

In a company, compensation to salesmen may be composed of any one or a combination of the following components:

1) ***Fixed component*** : It is that part of the compensation which is fixed and does not vary with the measures of productivity like sales volume. It is an assured and guaranteed sum not related to effort but to a time, say, a week or a month.

2) ***Variable component*** : It is not fixed and varies with the record of the productivity of salesmen. It is designed to serve as an incentive to productivity and tagged to its different measures such as sales volume, sales profitability, expenses, etc. It may assume the forms of commission, bonus, profit sharing, and the like. However, dearness allowance is also a variable component but it is tagged to the cost of living index and not productivity.

3) ***Expense component*** : It is not variable and seldom fixed. It is reimbursement of the actual expenses incurred by salesmen in the course of discharging their duties.

4) ***Fringe benefits*** : These are 'plus factors' like paid vocations, medical benefits, life insurance, accommodation subsidy, etc.

In a company, compensation to salesmen may be composed of any one or a combination of these components depending upon the company needs and objectives.

Methods of compensation :

The method of compensation indicates the way different components of compensation are mixed to arrive at a pay structure. Usually the following methods of employed.

1. Straight salary :

It is a ver common method of compensating salesmen. It is composed of only a fixed component which they, receive in the form of salary paid in terms of a unit of time usually a month. It is fixed and guaranteed and does not vary with any measure of productivity. Nevetheless, it possible that salesmen may receive salary in the graded scale and earn increment periodically, and also get reimbursed for any expenses incurred.

This method is best suited where : (i) a new market is being explored, (ii) the job requires missionary, educational, and promotional effort, (iii) the job requires long pre-sale and post-sale service and negotitations, like in case of technical and complex products, (iv) selling on account is a joint effort of more than one salesmen, and (v) selling is just routine order taking.

This method has both strength and weaknesses which are described hererunder

Strength :

a) It provides strong financial control over the sales force and maximum power to direct its activities towards productive.

b) It is flexible and may be adjusted to changing selling situations so as to secure salesmen's cooperation in other tasks.

c) It assures regular work and steady income thereby providing income security.

d) Customers are better served because volume related earning is not the target.

e) It is simple to understand and easy and economical to administer.

Weaknesses :

a) It does not provide any incentive to salesmen to work harder

b) It under - compensates the efficient and over - compensates the inefficient.

c) It does not help to establish direct relationship between selling cost and sales volume essential for sales budgeting.

d) It does not motivate salesmen to enlarge the share of market which is very relevant in a growing company.

2. ***Straight commission :*** In this method, compensation is composed of as a variable component which is related to some measure of productivity 'like' sales volume, collection of outstanding trade debts, invoicings, net profits, etc. However, usually, sales volume is the basis on which salemen's commisson is computed. The rate of commission is determined on the basis of the intensity of need for productivity, industry practice, and the demand and supply of salesmen. This rate of commission, however, may be progressive or regressive as the sales volume rises and may vaey in terms of different products, time periods and customers. it may be gross or inclusive with no reimbursement of expenses again depending on company needs.

This method is best suited where : (i) incentive is needed to seek sales volume, (ii) non-selling tasks of salesmen are limited, (iii) adequate control is not possible of feasible (iv) company is financially not strong enough to afford fixed cost of straight salary, and the industry practice is such.

This method also has strengths and weaknesses which are described hereunder.

Strengths :

a) It provides maximum monetary incentive to salesmen.

b) It provides maximum freedom of operation to salesmen.

c) It attracts high calibre salesmen.

d) Selling costs are variable on account of their variability.

e) It is simple to understand.

f) It is flexible enough to meet changes in business condition through rate/productivity measure manoeuvring.

Weaknesses :

a) It provides little control over salesmen as they act independently.

b) Salesmen's focus is only selling; non - selling tasks are usually ignored or discarded.

c) Fast selling products sell faster and show selling products move still slower.

d) Salesmen feel loss of income security.

3. ***Combination*** : When straight salary and straight commission methods of compensation are combined in some acceptable form, the combination method of compensation emerges. In this method usually a mix of salary (fixed component) and commission (variable component) is developed in such a way that salesmen are assured of a secured steady income and also adequate incentive to work harder. The commission may be paid on total sales or over a certain quita of sales predetermined. A judicious blending of the two helps management in over-coming weaknesses and in capitalising on the strengths of both. Although this method attempts to skim the, advantages of both straight salary and straight commission methods

it gets involved with problems such as expensive administration and complex computation techniques.

4. *Incentive plans* : Incentive plans are an adjunct to the three methods described above. An incentive plan involves payment of an extramonetary reward to salesmen for serving the company in as specific desired way. Some of the chief incentive plans are described here.

a) *Bonus* : Bonus to a salesman in a non-contractual payment for extra effort or merit or for results beyond normal expectations. They are used to reward salesmen for performing takes that are desirable but not rewardable through commission, such as preparing prompt reports, supplying useful selling ideas, protecting customer's inventory interests and developing unusual product or market knowledge ability.

Bonus is best used where company wants to additionally motivate salesmen to increase productivity, usually sales volume, salesmen's special attainments are to be recognised or company's excessive profits are to be shared. The bonus payment may be based on fulfilment of sales quota, gross margin on sales, number of new accounts opened and extra-ordinary performance duly appraised by the management.

b) *Profit sharing* : Although not popular, profit-sharing involves apportionment of a part of the profits which may be shared by salesmen in terms of their contribution to it measured on some point scale.

SALES QUOTAS AND SALES TERRITORIES

Sales quotas ;

Meaning :

Quotas are quantitative objectives assigned to specific marketing units-individual salesmen, for instance - for use in the management of sales efforts, as the most important and most commonly used standards for appraising selling effectiveness. In most companies, sales management is most concerned with setting and administering quotas for organizitional units of the sales department, such as for individual sales districts and salesmen. In some compartment, however, sales management sets and uses quotas applying to middlemen such as agents, wholesalers, and retailers. Quotas set for sales regions, or other marketing units on higher organizational levels, are customarily broken down and reassigned to lower-level units, such as sales district or to individual salesmen. In all cases, quotas have a time dimension -- they quantify what management expects in the way of accomplishment within a given period.

Fundamentally, then, sales management regards quotas as devices for directing and controlling sales operations. Their effectiveness depends upon the kind, amount, and accuracy of marketing information available and used in setting them, and upon management's skill in administering the quota system. In the most effective systems, management bases quotas information derived from sales forecasts, studies of market and sales potentials, the sales budget, and cost estimates. Quantitative data from these and similar sources are important in assuring the effectiveness of a quota system but, in and of themselves, they are not sufficient; superior judgement and other administrative skills are required of those with quota-setting responsibilities

Reasons for setting and using quotas :

Generally, companies set and use quotas to facilitate and improve control over sales operations. Most managements, however have more specific reasons in mind. The most important of these are discussed below.

To provide quantitative performances standards :

Quotas are the most important of all the quantitative standards, used for appraising the performance of individual components of the selling operation. If quotas are intelligently set, and represent realistic levels of desired performance, management has a means for determining which salesmen, middlemen, or other components of the selling operation are doing an average, below-average, or above-average job. Territorial sales volume quotas, for instance, are yardsticks for measuring territorial sales performance, making it possible to evaluate and compare the effectiveness of different salesmen. Comparisons of quotas with sales performance serve to identify weak and strong points; but management must dig deeper to uncover reasons for performance variations. Sales performances in very company vary product by product, territory by territory, and salesman by salesmen. Quotas help in identifying the strong and week points, but additional analysis of performance data is needed to shed light on reasons for performance differentials.

To motivate desired performance :

Quotas are also used to motivate salesmen, middlemen, and others engaged in the sales operation to achieve certain performance levels. As a matter of fact, some managements use quotas solely for inspirational purposes, basing them almost entirely upon what they think different individuals can be inspired to achieve. Unfortunately, because of the high degree of subjectivity used in setting such quotas, they frequently turn out unrealistically high, thus losing much inspiration value. According to E.P. Sheehan,

General Sales Manager of the York Division of Borg - Warner Corporation, a salesmen's quota should be "an attainable goal which he can achieve with justifiable pride". For a quota to be inspirational, it should be attainable, and the salesmen must be convinced of that fact. He should believe so strongly in the attainability of the quota assigned to him that he will not easily give up with the excuse that he cannot reach it. He should feel that he must reach the assigned quota, and he should be confident that management will recognize his achievement.

To obtain more effective budgetary control :

Control over expenses and the profitability of salesman's can be tightened through use of quota. Some companies reimburse salesmen's expenses only up to a certain percentage of their sales volume, the expense quota in this case being expressed as a per-cent of sales. Others set value expense quotas, and inform salesmen that their effectiveness is being appraised, in par, by their success in staying within assigned expense limits. Still others establish quotas for the value profit or profit percentage on sales for which salesmen are to be held accountable. Budget quotas serve to shift the emphasis away from making sales and toward keeping expenses within certain bounds, or increasing the profitability or sales. Such quotas are particularly appropriate when additional sales volume is obtainable only at greatly increased expense; thus profits can be increased only by improving selling efficiency.

To use in connection with sales contests :

Companies us frequently use "performance against quota" as the main basis for making awards. Management often believes that sales contests are more effective motivators, if each particpant feels that he has an equal chance of winning. By basing on percent of quota-fulfilment, the desired "common denominator" feature is built into the contest. Assuming that

quotas are set accurately, this adjusts for differences among territories (as in coverage difficulty and company competitive position) and for differences among salesmen (as in experience with the company and in the territory). Generally, contest quotas are designed solely for use in the contest, the thinking being that "special quotas" as needed to stimulate extra-special effort causing average men to turn in above-average performances.

Types of quota setting procedures :

Difference in forecasting and budgeting procedures, in management philosophy, in selling problems, and in executive judgement, as well as variations in quota-setting procedures, cause the quotas used by each firm to differ from those used by others. If small differences are ignored, however, almost all quotas fall into one of four categories: (1) sales volume, (2) budget, (3) activity, and (4) combination.

Sales volume quotas :

The sales volume quota is the oldest and most common type. Management regards it as an important standard for appraising the performance of individual salesmen, middlemen, or other components (both inside and outside the company) of the selling operation. By assigning sales volume quotas, sales management communicates to each selling unit its expectations of "how much for what period." Sales volume quotas may also be established for geographical areas, product lines, or marketing channels, or for one or more of these in combination with any selling unit, the design depending upon which facets of the selling operation management wants to appraise of motivate.

Generally, the smaller the selling unit for which a quota is set, the more effective it is as a device of directing and controlling operations. Setting a sales volume quota for a sales region, assist management in obtaining a certain amount of direction and control over sales operations; but by set-

ting sales volume quotas individually for each sales territory in the region, management is in position to obtain a much greater amount.

Sales volume quotas are most commonly set in terms of value, or of units of product. Most companies selling broad product lines prefer the value terminology, is as much as firms frequently encounter numerous complications in setting unit quotas and in evaluating sales performance for individual products. One important advantage of the value terminology is that management is able to relate volume quotas to other performance data, such as selling expenses incurred, through computing ratios or percentages. In addition, when products have not firmly established prices, and salesmen have a certain amount of discretion in catting to make sales, management tends to set either value volume quotas or combined value and unit volume quotas in order to assure that salesmen do not too readily cut prices too deeply in order to build unit volume.

Sales volume quotas in product units are used mainly in two types of situations. The first concerns companies selling products whose prices are expected to fluctuate significantly during the quota period; in this situation, if management desires to compare sales performance in different time petiods, unit sales volume quotas are better yardsticks than value sales volume quotas. The second type of situation obtains in companies with narrow product lines sold in prices that do not fluctuate significantly during quota periods. In these cases, value volume and unit volume quotas appear equally appropriate.

Budget quotas :

Budget quotas may be set for various units in the sales organization for purposes of controlling expenses, gross margin, or net profit. Generally, the underlying intention of management in setting budget quotas for salesmen is to make it clear to them that their jobs consist of something more than simply obtaining sales

volume. If intelligently set and administrered, all budget quotas tend to make personnel more conscious of the fact that the company is in business because it hopes to make a profit. Expense quotas emphasize the importance of keeping expenses in proper alignment with sales volume, thus indirectly providing control over gross margin and net profit contributions. Conversely, gross margin or profit quotas emphasize the importance of salesmen's margin and profit contributions, thus indirectly providing control over salemen's expenses.

Activity quotas : Management's desire to control how salesmen allocate their time and efforts among different activities explains the use of activity quotas. A company using such quotas starts by defining the various important activties salesmen perform, then it specifies desired preformance frequencies. Some of the activities for which quotas are set include: total sales calls, calls on particular classes of customers, visits on prosepects, number of new accounts, missionary calls, product demonstrations, placement or erection of displays, and making of collections. Before setting activity quotas, management should have on hand reliable time-and duty studies of how salesmen actually apportion their time among various activities, making whatever additional studies are necessary to determine how salesmen should allocate their efforts. Ideally, management should have available time-and-duty studies for every salesman and sales territory tent, of course this is seldom practical.

Activity quotas are most appropriate when salesmen are responsible for performing important non-selling activities. Thus, for example, activity quotas see a great deal of use in insurance selling, where salesmen must continually develop new contacts. They are also common in drug detail selling, where detail men spend

most of their time calling on doctors and hospitals to explain new products and new applications of both old and new products. The unique advantage, then, of activity quotas is that they permit management not only to control but to give recognition to salesmen for performing important non-selling activities, and for maintaining contacts with customers who may buy infrequently, buy in substantial amounts.

Combination and other point system quotas : Combination quotas are used when management desires to control salesmen's performance of both selling and non-selling activities through the medium of a single summary performance measure. Such quotas were devloped to overcome the problem of using different measurement units to appraise different aspects of salesmen's performance (e.g., value to measure sales volume, and number of overall performance. Because salesmen's performance against compination quotas are computed as percentages, such quotas are also known as point system, the points being percentage points.

Sales territories:

Establishment of sale territories facilitates management's task, in matching selling efforts with sales opportunities. In effect, salesmen are assigned the responsibility for serving particular groupings of customers and prospects and, thus, they provide the contact points at which the line sales organization comes together with the markets. Territiorial assignments land important direction to management's efforts to gather and use information for the planning and control of sales operations. Realistic sales planning must ultimately be done on a territoty-by-territory basis rather than for the total market. Characteristics of customers and prospects vary

significantly from one section of the country to another, and sometimes even from one country to the next; thus, analysis of market statistics should include breakdowns for individual sales territories. Furthermore, in establishing sales territories, management is also taking an important first step toward accumulating a fund of knowledge concerning the company's comparative strengths and weaknesses in serving different groupings of customers and prospects. Though taking these variations into account in planning sales operations, managerial efforts to improve the company's competitive position should be made more effective.

Similarly, control of sales operations should be made more effective by breaking the total market down into manageable units. Assigning responsibility for achieving specific goals to subordinate line executive and individual salesmen should result in more appropriate alignments of salesmen efforts with sales opportunities. Direction can then be lent toward gathering and using information on individual perforamnces for control purposes. Comparisons of actual performances with sales opportunities present in each territory provide a sound basis not only for appraisal of subordinate executives and salesmen, but also for the further imporvement of sales planning.

Although territorial assignments are usually made on a geographical basis, the emphasis in territorial design should be placed upon the customers and prospects rather than upon the areas in which salesmen are to work. In some companies, in fact, geographical considerations are ignored completely and selling responsibility is assigned to individual salesmen according to classes of customers, regardless of their locations. Operationally defined, then, a sales territory is a particular grouping of customers and prospects assigned to an individual salesman.

Still other situations exist in which companies do not designate sales territories geographically. Certain companies have highly specialized salesmen, each of whom is assigned responsibility of serving customers who need his special skills. For instance, one firm that makes and sells complicated machinery employs only five salesmen, each specializing either in part of the product line or in particular product applications; the geographical location of customers are distinctly of secondary importance.

In most marketing situations, however, it is advantageous to "assgin" salesmen to "territories" in the sense that salesmen are given the responsibility for serving particular groupings of customers and prospects.

Reasons for establishing or revising sales territories :

The principal reason for establishing or revising sales territories is to facilitate the palnning and control of selling operations; but management ordinarily has more specific reasons for making this important more. Among these additional reasons, all of which incidentally contribute to imporved planning and control of selling operations are those discussed below.

To improve market coverage :

Sometimes, a company loses orders to competitors because it does not have proper market coverage. In such situations, technically speaking, sales management has failed to match company selling efforts with sales opportunities effectively, competitors have secured a better match, and they obtain the orders. To overcome problems of this type, generally management must establish sales territories, if the company does not already use them or revise those it already has. If sales territories are set up intelligently, and if individual salesmen's assignments to them are carefully made, it should be possible to obtain proper market coverage. Note that mere establishment of revision of the sales territories themselves is

not the whole remedy; other managerial action is also necessary. The nature of the territories should permit salesman to cover them conventiently and economically. They should represent reasonable work loads for the salesmen, while at the same time assuring that all prospects who are potentially profitable can be contacted.

To reduce selling expense ratios :

Good territorial design combined with careful salesmen assignment should result not only in lower selling expenses but in higher sales volumes. Salesmen spend fewer nights away from home, which reduces or eliminates many charges for lodging and food. These savings plus the higher sales volumes that should follow from the increased amount of productive selling time made available, should have a favourable effect upon the ratio of selling expenses to sales.

Reduced selling expense ratios. however, do not follow automatically from the establishment or revision of sales territories. In fact, if the territorial planning is unsound, or if it is not combined with appropriate increase. If the planner, for instance, ignores normal travel routes and geographical barriers, salesmen may spend time in travelling when they could be calling on customers and prospect; such conditions result in higher selling expenses, and probably in lower sales volumes.

Furthermore, short-term reductions in the selling expense ratio are not always desirable; it is the long-term result that is important. Rises in selling expenses may not be followed immediately by increased sales volumes,s and higher current selling expenses may be needed in order to obtain higher sales volumes in the future.

To improve customer service :

Good territorial design allows salesmen to spend more time with customers and prospects and less time on the road. This

permits them to become more canversant with customer's problems requirements. Really successful selling is premised upon helping custon solve their problems, not just upon making sales or, even worse, upon taking orders. Well-designed sales territories combined with appropriate salesmen's assignments, should result in greater regularity of calls upon different classes of customers and prospects, such regularity is especially important in selling products purchased on repeat basis, and persistence turns many a prospect into a regular account.

To build salesmen's interest and morale :

Improved territorial designs help in stimulating salesmen's interst in their jobs, and in improving their morale. Well-designed territories are convenient for salesmen to cover; they respresent reasonable-sized workloads, and each salesmen should find that the efforts he exerts are productive of results. Each is responsible for achieving a given level of performance within his own territory, so each knows specifically what management expects of him and, this, should guide his efforts accordingly. The results that come out of his territory can be correlated more closely with his efforts, and management should find it easier to appraise his performance. Good territorial design plus intelligent salesmen assignment helps make each man more productive, this should provide the sales force with higher earnings, and increased self-confidence and job satisfaction. Morale should be improved also because there ought to be fewer conflicting claims of salesmen to the same accounts-when sales territories are not used, there are numerous conflicts. Even with well-designed sales territories, some conflicts arise, because there are always some customers who transact business in more than one territory; but well-designed territories serve to reduce the magnitude of the problem. Finally, salesmen's morale should be improved because excellence in planning territories and making territorial assignments should cause salesmen to spend less time on the road and more at home.

To co-ordinate personal selling and advertising efforts more effectively :

Management may set up sales territories or revise existing territorial arrangements with is view toward improving the coordination of personal selling and advertising efforts. In most marketing situations, personal selling or advertising alone cannot accomplish the entire selling task as efficiently or as economically as these two major selling efforts, skillfully harmonized are capable of doing. Through blending personal selling and advertising efforts management may take advantage of a synergistic effect (sometimes referred to as the "2+2=5" effect), and obtain a performance greater than the sum of its parts. Salesmen play key roles in management's attempts of capitalize on such an opportunity.

To improve salesman performance evaluation :

Well-designed sales territories should help management in securing meaningful information to use in evaluating salesman performance. Selling and other problems encountered in marketing a company's product line tend to vary geographically' and the impact of competition differs widely among regions. By subdividing the total market into territories, analysis should reveal rather accurate pictures of the company's comparative strengths and weaknesses in different areas, and appropriate adjustments can then be made in selling strategies. Collection and analysis of sales and cost data is now done on a territorial basis. Thus, through analyzing the market on a territory-by-territory basis and pinpointing sales and cost responsibilty to individual, salesmen, management has meaningful inforamtion to use in setting quotas and in evlauating each salesman's performance against them.

Assigning salesmen to territories :

In assigning salesmen to territories, management should seek to obtain the most profitable alignsment of selling efforts with sales

opportunities. The territories, containing varying sales potantials represent different amounts of sales opprtunity; the salesmen, differing in ability and potential effectiveness, represent the range of talent available for deployment in attempting to convert sales opportunities into actual sales and profits. Therefore, the manner of assigning salesmen to terrtories is highly important and deserving management's most careful thought and attention. Sales territories must be intelligently designed, and salesmen must be measured and ranked according to relative ability and potential effectiveness. The general guide that management should follow in making salesmen's assignments as the following illustration, will demonstrate. Assign each salesmen to the particular territory where his relative contribution to profit is the highest. Although, as a practical matter, this guide cannot be applied in all aspects of every problem involving assignment of salesmen to territories, this is nevertheless the "ideal" the planner should work toward.

The general guide for assigning salesmen to territories is not universally applicable for one very practical reason. The amount of direction management has in making these decisions differs considerably from company to company. At one extreme, some companies display great reluctance to transfer presently assigned salesmen to completely different territories, management evidently fearing not only salesmen resistance and resentment but the consequences of breaking established salesmen-customer relationships. These companies adhere generally to a "no transfer" or "infrequent transfer" policy and, in order to secure a proper alignment of selling talent and territorial sales opportunities, restrictions on shifting salesmen must be worked into territorial designs.

At the opposite extreme, management in a few companies appears to enjoy the maximum possible freedom in assigning any salesmen to any territory, designing territories (according to procedures similar to those discussed earlier) and closely aligning

salemen's ability levels with territorial sales opportunity levels. Management in these companies, in effect, is free to shift salesmen to (pre-designed) territories where their relative contributions to profit are maximized.

The situation in most companies is somewhere between the two extremes. For various reasons, some are totally outside management's control. Certain salesmen cannot be transferred but others can be freely moved from one territory to another. This means that, in most cases, management must design some sales territories to fit the ability levels of certain non-transferable salesmen, while identifying and reassessing other salesmen with ability levels appropriate to sales territories designed according to the suggested procedures.

PG Diploma in Marketing Management | *Advertising and Sales Management*

Time : Three Hours | Max marks : 100

MODEL UNIVERSITY QUESTION PAPER

Answer the Five questions. Each question carries 20 marks.

1. Discuss the factors that are responsible for the growth of advertising?
2. Explain the services rendered by advertising to consumer
3. In what sense can it be said that radio and television are unique advertising media?
4. How an advertising manager can evaluate the effectiveness of a firm's advertising?
5. Compare and contrast the different approaches to determine the size of the advertising budget.
6. "The job of personal selling is not merely of booking orders" In the light of this statement, describe the nature of selling job and the process of selling.
7. "Salesmen are born and not trained". Discuss this statement and describe the different methods of training salesmen.
8. What are the requirments of a good compensation plan for salesmen? How would you develop such a compensation plan in a company? Discuss.
9. What are the various types of sales quotas and what are the procedure for quota setting?
10. What are the objectives of sales management and how does the sales management coordinate with other activities of a firm?